

Assessors Newsletter

August-October

Fall



Agricultural Assessment: Q & A's

Partial Reduction in Real Property Taxes for Eligible Farmland in New York State

- Quarterly Newsletter
- Articles about what's going on in your hometown
- Assessment and tax information
- Happenings in Niagara County

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Q. Does farmland automatically receive an agricultural assessment?

A. No. Landowners must file an application form (form [RP-305](#) or [RP 305-r](#)) with the assessor to receive an agricultural assessment for their parcels. Landowners must apply annually for an agricultural assessment , and the farmland must satisfy certain gross sales and acreage eligibility requirements.

Q. Can land outside an agricultural district qualify for an agricultural assessment?

A. Yes. The requirements and application procedure are the same. However, land located outside of an established agricultural district which receives an agricultural assessment will continue to be encumbered with an obligation to remain in agricultural use for a period of eight years (land within an agricultural district is encumbered for five years) or be subject to a payment for conversion to non-agricultural use.

Q. How is eligibility determined?

A. Eligibility is determined by the assessor or board of assessors with whom the application is filed. If denied, the applicant has the right to an administrative review by the Board of Assessment Review. The following requirements must be met.

- Land generally must consist of *seven or more acres* that *were used in the preceding two years* for the production for sale of crops, livestock, or livestock products.
- The annual gross sales of agricultural products generally must average \$10,000 or more for the preceding two years. If an agricultural enterprise is less than seven acres, it may qualify if average annual gross sales equal \$50,000 or more. (See rented land and exceptions to gross sales requirements.) Land that supports a commercial horse boarding operation may qualify for an agricultural assessment if the following eligibility requirements are met:
 - * at least seven acres of land supports the commercial horse boarding operation:
 - * the operation boards at least ten horses regardless of ownership; and
 - * the operation receives \$10,000 or more in gross receipts annually in the preceding two years from fees generated through the boarding of horses and/or through the production for sale of crops, livestock, and livestock products.
- A startup operation may qualify based on its annual gross sales of agricultural products in the operation's first or second year. Such annual sales must amount to at least \$10,000, if the start-up operation has seven or more acres, or to at least \$50,000, if the start-up operation has less than seven acres in agricultural production.
- A start-up commercial horse boarding operation may also qualify based on annual boarding fees of \$10,00 or more in its first or second year.

Q. What land can be included?

A. Agricultural assessment is limited to land used in agricultural production, defined to include cropland, pasture, orchards, vineyards, sugar bush, support land , and crop acreage either set aside or retired under Federal supply management or soil conservation programs. Up to 50 acres of farm woodland is eligible for an agricultural assessment per eligible tax parcel. Land and water used for aquaculture production are eligible, as is land under a structure within crops, livestock or livestock products are produced. Land visibly associated with the owner's residence is ineligible.

Q. What if a farm includes several parcels?

A. Since farm operations often encompass more than one parcel, eligibility is determined by combining separately assessed parcels that are farmed together as a single operation. However, a separate application for each separately assessed parcel must be made.

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Agricultural Assessment-continued

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Q. How is the gross sales value determined?

A. Gross sales value means the actual proceed from sales of agricultural products. The landowner must adequately document sales for the assessor. Proceeds from all parcels used in a single operation may be combined to satisfy the average gross sales value requirement. If a crop is grown and processed on the farm, the value of the crop before processing must be used when computing its average gross sales value. When the farm woodland is eligible, proceed from the sale of woodland products may be included in the computation of average gross sales value but only to a maximum of \$2,000. The commercial horse boarding receipts can be generated either through the boarding of horses or through the production for sale of crops, livestock, and livestock products or through both.

Are there any exceptions to the gross sales requirement?

A. **Yes.** Agricultural lands affected by natural disasters or continued adverse weather conditions may continue to be eligible. County Cornell Cooperative Extension staff must certify such natural disaster or weather condition destroyed the agricultural production and, as a result, the average gross sales value for the preceding two years was less the minimum required for eligibility. The landowner must document the extent of damage and gross sales value land can produce under normal condition on the application for RP-305b. No minimum gross sales value is required for crop acreage either set aside or retired under Federal supply management or soil conservation programs.

Does the agricultural assessment program apply to buildings?

A. **No.** Agricultural assessment applies only to land and any posts, wires and trellises used to support vines or trees for the production of fruit on eligible land. The program does not apply to farm buildings, residences, and other improvements. Farm buildings and structures may qualify for property tax benefits under Real Property Tax Law Sections 483, 483-a 483-b, 483-c. See Farm Building Exemptions brochure for details. However, land under farm buildings and structures that produce qualified crops, livestock or livestock products may in certain circumstance receive an agricultural assessment.

What is the application procedure?

A. The landowner's first step in applying for an agricultural assessment is to go to the county Soil and Water Conservation District office. There, all farmland to be enrolled in the program will be classified by soil productivity. A district technician plots each farm tax parcel of the farm on a soil map, and calculates the acreage in each soil group. The landowner should work with the technician to outline woodland areas and ineligible areas. The landowner may exclude any area from the program and this area should be clearly defined and marked on the map. The technician records the information on a "Soil Group Worksheet" (Form APD-1). The landowner, in turn, transfers this soil information to the "Application for an Agricultural Assessment" (form RP-305), available from the assessor's office and indicates any farm woodland on the parcel. The landowner submits the completed RP-305 application form along with copies of the completed APD-1 soil group worksheet and the soil map to the assessor by taxable status date. In most towns, taxable status date is March 1, but it is advisable to confirm this with the assessor. Landowners must file an application each year with the local assessor. After the initial application, a short form application (RP-305-r) may be used if there have been no changes since the previous year's application.

How is the landowner informed of the result of an application?

A. If a landowner includes a self-addressed, stamped envelope with the application, the assessor must notify the landowner of the approval, modification, or denial of the application. The assessor will inform the applicant at least ten days before the date for hearing assessment complaints which in most towns is the fourth Tuesday in May. If an application is denied, the assessor must also state the reason on the form. For applications approved, the assessor must show how the total assessed value is apportioned between the eligible and ineligible parts of the property for the current year and prior year. A landowner may request the municipal or school tax collector to disclose the dollar value of reduction in tax liability attributable to lands receiving an agricultural assessment.

Questions?

For additional information on the agricultural assessment program contact any of the following:

- The local assessor
- The County Director of Real Property Tax Services



The Assessor's Role in Determining Market Value

New York State Law requires all properties in each municipality to be assessed at a uniform percentage of market value each year. This means that all properties in each city, town, or village must be assessed at market value or all at the same uniform percentage of market value each year. Your assessor may use mass appraisal techniques, real estate market trends, the sales comparison, as well as other approaches to value to arrive at a property's estimated market value, which is available on the assessment roll.

Once the market value of each property is determined, the assessor applies the municipal-wide level of assessment to the market values. In many communities, where assessments are maintained at a level of assessment of 100, a property's assessment *is* the assessor's estimate of its market value. If a community is assessing at a percentage of market value, each assessment should be based upon the percentage being used throughout the community. For instance, if the market value of a property is \$100,000, and the community is assessing at 30 percent of market value, the assessment should be \$30,000.

If one determines the market value of his or her property and feels that the assessor's estimate of market value (upon which the assessment is based) is too high, then the property owner should contact the assessor's office to learn the procedures for informal assessment review. During the informal review process, the property owner and the assessor can each discuss the property's inventory (or characteristics) and how the market value estimates were determined. If the property owner remains unsatisfied with the assessment, he or she has the right to formal administrative and judicial review of the assessment. The assessor can provide the property owner with information on these processes.

Niagara County 2011 Equalization Rates

Type	Municipality	Equalization Rate	Status	Date Established
City	Lockport	100.00	Final	08/02/11
City	Niagara Falls	93.00	Final	08/10/11
City	North Tonawanda	97.00	Final	08/02/11
Town	Cambria	100.00	Final	08/02/11
Town	Hartland	100.00	Final	08/02/11
Village	Middleport	100.00	Final	08/02/11
Village	Middleport	97.00	Final	08/02/11
Town	Lewiston	81.00	Final	08/02/11
Village	Lewiston	81.00	Final	08/02/11
Town	Lockport	100.00	Final	08/02/11
Town	Newfane	98.00	Final	08/02/11
Town	Niagara	59.00	Final	08/02/11
Town	Pendleton	98.00	Final	08/02/11
Town	Porter	91.00	Final	08/02/11
Village	Youngstown	91.00	Final	08/02/11
Town	Royalton	97.00	Final	08/02/11
Town	Somerset	76.00	Final	08/02/11
Village	Barker	76.00	Final	08/02/11
Town	Wheatfield	69.00	Final	08/02/11
Town	Wilson	93.00	Final	08/10/11
Village	Wilson	93.00	Final	08/10/11

Residential Sales-Niagara County

May 31, 2011 thru August 31, 2011

Municipality	No. of Sales	Avg. Price	Median Price	Avg. DOM
Cambria	10	160,830	147,000	108
Hartland	4	113,625	95,250	82
Lewiston	34	172,653	145,500	135
Lockport, City	43	78,116	79,000	81
Lockport, Town	44	137,768	119,250	79
Newfane	23	101,548	85,000	80
Niagara, Town	13	85,185	85,500	101
Niagara Falls	70	60,014	56,000	97
N. Tonawanda	58	101,972	97,000	72
Pendleton	14	173,821	142,450	52
Porter	17	186,127	150,520	53
Royalton	17	98,653	77,500	82
Somerset	8	160,750	182,500	62
Wheatfield	27	192,856	1195,800	66
Wilson	4	69,875	73,500	81
Niagara County Total	386	116,475	97,710	85

Property Tax-Myths & Misunderstandings

Myth #5 Tax rates are good indicators of tax in-

In late August, as the date for mailing school tax bills approaches, the tendency is to compare the tax rate for the previous year with the tax rate for the current year. In fact, tax rates are not accurate indicators of how much more a school district is collecting in taxes this year. For that, you need to look at the tax levy.

Tax rates are misleading because they are based on the aggregate assessments of each municipal segment in the school district. If one city or town in the district has done a reassessment that year, that segment's tax rate may drop drastically. Put another way, a municipality might increase assessments and the school could keep the tax rate the same and it would still collect more taxes.

If you want to know if the school district, city, town, or county is spending more, look at the budget. If you want to know if it's collecting more in taxes, look at the levy.

Glossary of Assessment Terms

Board of Assessment Review—A quasi-judicial panel consisting of three to five members appointed by a municipality to hear and make determinations on assessment grievances brought before it by property owners.

Bundle of Rights Theory—The premise that the ownership of real estate consists of the ownership of various rights associated with it. These rights included the right to use and/or occupy, the right to sell in whole or in part, the right to bequeath and the right to done of the foregoing.

Capitalization Rate—The percentage which is the sum of the discount rate, the effective tax rate and the recapture rate (for improved property only) representing the relationship between net operating income and present value.

Capitalization Value—The value indicated by the annual net operating income generated by the property. The present value of the right to collect future income derived by dividing net operating income by an appropriate capitalization rate.

Ceiling Railroad—A railroad company whose taxable assessed value is subject to an upper limit established by the Office of Real Property Tax Services (ORPTS). Any assessed value in excess of this limit is exempt.

Change-of Level Factor—A multiplier computed by ORPTS from equalization changes listed on the assessor's report. It is used to adjust the prior year final equalization rate so that it can be used as the advisory rate for county tax apportionment.

Comparable Sale—A property which has sold recently and is sufficiently similar to the subject of an appraisal so that its adjusted selling price may be taken as an indication of the market value of the subject.

Condominium—A form of fee simple ownership of part of a structure having multiple units. Owners have title to their own units plus a share of the common elements.

Cooperative Apartment—A dwelling unit owned by a corporation in which an owner owns stock commensurate with the value of his apartment compared to the value of the building as a whole. The stockholder has a proprietary lease to the apartment.

Correction of Errors Law—Sections 550 to 559 of the Real Property Law set forth the circumstances and conditions under which assessment and tax rolls may be corrected and taxes refunded or additional taxes levied.

Commercial Sales April 2011 thru August 2011***

Municipality	Address	Property	Sale Date	Sale Price
Niagara Falls	1821 Pine Ave	Multi-use retail	8/6/11	40,000
Niagara Falls	820-26-30 Chilton Ave	Offices	6/24/11	33,250
Niagara Falls	840-19th Street	Multi-use	6/24/11	45,000
Niagara Falls	1501 Pine Ave	Small Commercial	6/10/11	19,900
Niagara Falls	1701 Pine Ave	Restaurant	6/14/11	113,000
Niagara Falls	1715 Pine Ave	Multi-use Retail	6/14/11	111,000
Niagara Falls	639-17th Street	Multi-use Retail	6/14/11	111,000
North Tonawanda	376 Meadow Dr	Apt./4units	7/18/11	191,500
North Tonawanda	965 Oliver Street	Apt./4units	6/10/11	103,000
North Tonawanda	200 Mead Street	Apt./4units	8/10/11	165,000
North Tonawanda	115 Goundry St	Multi-use	5/5/11	37,849
North Tonawanda	161 Tremont St	Apt./4units	7/18/11	99,000
Porter	461-465 Main St	Apt./4units	6/30/11	286,000

VACANT LAND SALES -April 2011 thru August 2011***

Municipality	Address	Acres	Sale Date	Sale Price
Cambria	Lower Mt. Road	20	7/22/11	25,000
Hartland	Drum Road	85	8/8/11	143,000
Hartland	Carmen Road	38	5/12/11	34,000
Lewiston	Oak Run Drive	0.36	6/15/11	51,000
Town of Lockport	Keck Road	56	6/6/11	59,900
Town of Lockport	Johnson Road	10.1	6/29/11	18,500
Town of Lockport	Bartz Road	4.1	4/28/11	30,000
Newfane	King Fisher Ct	1.15	7/13/11	89,900
Newfane	Commer Rd	10	6/6/11	45,000
Pendleton	Mapleton Rd	2.1	7/14/11	29,000
Pendleton	Townline	0.86	7/15/11	32,000
Porter	Youngstown-Wilson Rd	70	5/26/11	80,000
Somerset	Somerset Rd	1	8/3/11	160,000
Somerset	Carmen Rd	4.06	5/18/11	23,000
Wilson	Brayley Road	5	5/25/11	23,000

*** Due to NYS Sales Web not being updated by print date, sales are taken from MLS, which is not complete.

Assessors Contact Information

Municipality	Name	Phone No.
Lockport-City	Joseph Macaluso	439-6614
North Tonawanda	Flora Carozzolo	695-8597
Niagara Falls	James Bird	286-4388
Cambria	Janelle Kroening	433-8161
Hartland	Michael Hartman	735-7220
Lewiston	Linda E. Johnson	754-8213
Lockport-Town	Jill Lederhouse	439-9526
Newfane	Patricia Truax	778-8827
Niagara-Town	Darlene Sullivan	297-2150-129
Pendleton	Karen Manning	625-8833-6
Porter	Barbara Oaks	745-3730
Royalton	Michael Hartman	772-7826
Somerset	Robert Glidden	795-3243
Wheatfield	Brigette Grawe	694-9102
Wilson	James Bird	751-6705-15

Assessor's Corner

Linda Johnson is the new Assessor for the Town of Lewiston. She has lived in the town for more than 30 years and has two daughters, Jill and Shannon who are both fortunate enough to be tenured teachers for Lewiston Porter. Linda was part owner in a real estate business for almost 20 yrs and worked in the mortgage industry for about 10 years. She was hired in 2000 as the Assessor Clerk and started taking basic certification courses in 2004. We wish Linda much success as she begins this new chapter in her career.



School is back in Session:
Please drive safely!!

Newsletter Courtesy of Brisbane Consulting Group

Brisbane Consulting Group, LLC was formed in 1996 and specializes in business consulting, business valuations, forensic accounting, and litigation support. We are experienced in business valuation procedures, methodologies, standards, reporting, and expert witness testimony. Brisbane Consulting Group is the largest and most accredited business valuation firm in Buffalo, N.Y. and is affiliated with all major business valuation organizations and societies including the American Institute of Certified Public Accountants, the American Society of Appraisers and the National Association of Certified Valuation Analyst.

Real Estate Division- We are a full service real estate appraisal and consulting company. Our mission is to provide our clients with worthwhile information and services. We have the resources to collect, analyze and present various types of information for our clients' specific needs.

Please contact us at agirasole@brison.com or call (716) 856-3428 with questions or a free proposal.

403 Main Street, Suite 403, Buffalo, New York 14203

Happenings around the Area



Niagara County Peach Festival

Date: 9/9/11-9/11/11

Location: Academy Park, Lewiston

This old fashion festival comes alive with a parade, peach shortcake, midway, & entertainment!

More Information: www.lewistonkiwanis.org

Thunderbirds Air Show

Date 9/10/11-9/11/11 12:00pm-6:00pm

Free airshow! The event features a wide variety of military aircraft, aerobatic airplanes & vintage warbirds

More Information: <http://www.NiagaraAirShow.com>

Chocolate Festival-

Date: 9/17/2011 10:00am-5:00pm

Location: Gateway Harbor, Sweeney St., North Tonawanda

Details: www.the-tonawanda.com/events

Kids 'n' Kites

Date: 9/17/11 11:00am-2pm Rain Date: 9/18/11

Location: Veterans Memorial Park, 7000 Lockport Rd. Town of Niagara

Clowns, face painting, Animal & wildlife groups.

First 1000 children to register receive free kite, T-shirt & lunch.

Contact Information: 716-439-7602

Pumpkin Fiesta

Date 10/8/11-10/10/2011

Location: Becker Farms-3760 Quaker Rd, Gasport

Live music 1pm-4 pm, pig races, castle labyrinth, pony & hay rides. Fresh & up-pick produce.

More Information: Becker Farms & Vizcarra Vineyards-website



There is so much more going on in Niagara County from Sept. thru Nov. Visit www.niagara-usa.com for a calendar of events across the county!!!