

THE RATE IS USED FOR WHAT?

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Whether you have been an assessor for 25 years or filing your first assessment roll, it often seems as though everything we do revolves around a factor known as the dreaded “EQUALIZATION RATE.” As assessors, we realize some importance of this rate, as it is the determining factor in the apportionment of county taxes and, in many communities, the school tax.

What else is the equalization rate used for, you may wonder? Below is a list of many of the uses of the equalization rate, therefore creating even more need for rates to be reasonably accurate.

USES OF STATE EQUALIZATION RATES

Constitutional and Statutory Uses of State Equalization Rates:

A. State aid

1. Allocation of state aid for education
 - a. Apportionment of public money to school districts employing eight or more teachers (Sections 3602 and 3603, Education Law)
 - b. Apportionment of public moneys to school districts employing less than eight teachers (Sections 3602 and 3603, Education Law)
 - c. Aid to school districts without home school (Section 2043, Education Law)
 - d. Aid to boards of cooperative educational services (Section 1950 (5), Education Law)
2. Allocation of state aid for town highways
 - a. Town highway aid (Section 10-c, Highway Law, Section 88, Finance Law)
 - b. Ten-year town highway aid program – “Erwin Law” (Section 227, Highway Law)
3. Purposes of state assistance to local governments for support of fire prevention and building codes (Section 54- g, State Finance Law)
4. Computation of per capita state aid to localities under revised formula (Section 54(4a), State Finance Law)

B. Apportionment of taxes among components of

1. Joint school districts-school tax (Section 1314, Real Property Tax Law (RPTL))
2. Joint special districts-special ad valorem levies (Section 806, RPTL)
3. Joint fire districts-fire levies (Section 181, Town Law)
4. Judicial districts-court and stenographer tax (Sections 91, 95 , 98, 268(4), 269, 273, 312, 315, 316, 810. 815, and 828, Judiciary Law)
5. Villages that have ceased to be assessing units and are located in two or more towns (Section 1402(3), RPTL)
6. Counties that have adopted provisions of Title 2, Article 8 of the RPTL

C. Debt incurring power

1. Constitutional debt limits for counties, cities, towns, villages, and school districts coterminous with, or partly within, or wholly within a city of less than 125,000 (Article VIII, Section 4, State Constitution)
2. Statutory debt limits and debt statements in municipalities, school districts, fire districts, and certain district corporations (Section 2.00(7-a, 21, 21-a), 24.00, 102.00, 104.00(b, c, d, e), 109.00(a), 120.00, 139.00(a, b, c) and 140.00(B), Local Finance Law)
3. Constitutional debt limits for Buffalo, New York City, Rochester, Syracuse, and Yonkers by use of special equalization ratios (Article 12-A , RPTL) and debt limits for small city school districts (Article 12-B, RPTL)

D. Tax Limitations

1. Constitutional tax limits for counties, cities, towns, and villages (Article VIII, Section 10, State Constitution)
2. Increase of county tax limit (Section 223, County Law)
3. Constitutional tax limit for New York City by use of special equalization ratios (Article 12-A, RPTL)

E. Assessment of special franchises (Section 606, RPTL)

F. Exemptions for railroads (Article 4, Titles 2-A and 2-B, RPTL)

G. Limitations-fire district spending (Section 176(18), Town Law)

H. Local governmental organization

1. Special districts in towns, creation, or extension of (Section 194(3), Town Law)

I. Rent control-value of property indicated by application of state equalization rate and state equalization rate data for comparable property may be considered by the rent control agency (Section 8584, McKinney's Unconsolidated Laws)

J. State equalization rate, or in special assessing units, the class ratio, may be introduced in evidence in a court proceeding pursuant to Article 7 of the Real Property Tax Law on the issue of inequality of assessment (Sections 720 and 732(2), RPTL)

K. Approved assessments on taxable state-owned lands (Section 542(1) and 534(2), RPTL)

L. Bail bond-value of property indicated by application of state equalization rate in determining value of real estate offered as security (Section 500-10(17), Criminal Procedure Law)

M. Alternative Veterans' Real Property Tax Exemption-ceiling value of the exemption determined by application of the equalization rate, or in a special assessing unit, the class ratio (Section 458-A, RPTL)

N. Exemption on certain eligible forest land (Section 480-a, RPTL)

O. Assessment of oil and gas economic units (Section 594, RPTL)

P. Agricultural value ceiling assessments (Section 305, Ag. & Markets Law)

- Q. Equalized value for small claims court purposes (Section 730, RPTL)
- R. State equalization rate or residential assessment ratio may be introduced as evidence in small claims assessment review hearing (Section 732, RPTL)
- S. Assessment of conservation easements (Section 533, RPTL)
- T. Assessment of certain taxable state land (Section 534(3), RPTL)
- U. Assessment of certain Environmental Facilities Corporation properties for in lieu of tax payments (Section 1296, Public Authority Law)
- V. The determination of the equalized value for use in computing the maximum rents for housing accommodations pursuant to Section 2201.4 of the Rent and Eviction Regulations of the division of Housing and Community Renewal Law.
- W. Apportionment of charges to municipalities as a result of injury to volunteer firefighter (Section 30, Volunteer Firefighters' Benefit Law)
- X. Apportionment of expenses for assessor pursuant to a municipal cooperative agreement (Section 576, RPTL)
- Y. Allocation of sales tax revenues to localities by county (Section 1262, Tax Law)
- Z. "STAR" Limitations (Section 425, RPTL)