

PROPERTY TAX

**PROPERTY TAX
Statement of Position**

**As announced by the State Board, January 1980
And revised to reflect State Convention action, 1983**

The League of Women Voters of New York State believes that the assessment of real property must be:

- 1. Equitable in its distribution of the tax burden;**
- 2. Based on uniform standards;**
- 3. State assisted, monitored, and enforced;**
- 4. Easily understandable and accessible to taxpayers.**

PROPERTY TAX**Statement of Position****As announced by the State Board, January 1980****And revised to reflect State Convention action, 1983****(continued)**

The League has determined that the assessment system that best meets these criteria is one that is based upon an initial determination of full value and then applies to those full value assessments differential assessment ratios or tax rates according to class of property. The state legislature should define a limited number of such classes of property and establish a permissible range of assessment ratios for each class. Within that range local legislative bodies would then be able to adopt local assessment ratios, which best meet their land use, economic development and social policies.

Property tax bills should contain all relevant information including: the classification, the assessment ratio, the tax rate, the full value assessment and the classified assessment, as well as the procedure for appealing. Taxpayers should have access to all existing appeals procedures as well as an intermediate non-judicial appeal body in order to protest both their assessments and their classification at low cost.

Administration of the property tax should be improved. The state should provide financial and technical assistance to localities, establish qualifications for assessors, provide training and otherwise monitor and enforce local implementation of more uniform assessment practices. Adequate state funding should be provided to carry out these services.

Tax exemptions extended to charitable, religious and educational institutions should be re-examined to insure continuing eligibility. Annually, each taxing jurisdiction should make public a list of all exempt properties, their true value and the amount of tax revenue lost to the locality because of each exemption. Owners of tax-exempt properties should pay appropriate fees for services rendered to the exempt property by local government.

Statutes governing exemptions should be reviewed with the intention of severely limiting new classes of exemption and preventing abuse of existing exemptions.

Provisions of law must be clarified and made more stringent so that properties held by nongovernmental tax exempt bodies which are used for profit or for any purpose not directly related to the tax exempt purpose of the organization do not escape taxation.

The State should replace local residential property tax relief programs that grant taxpayers relief regardless of ability to pay with programs in which tax relief is limited to those individuals with a limited ability to pay and made available on a sliding scale according to need. The "circuit breaker" type of relief, in which state funded reimbursement is given to homeowners and renters whose property taxes exceed a certain percentage of income, should be expanded and should be automatically adjusted on an annual basis to reflect cost of living adjustments to the maximum income limit and maximum property value for eligibility.

REAL PROPERTY TAXATION**Statement of Position****As Announced by the State Board, January 1980,****Revised to reflect State Convention action, 1983****And further revised to reflect Financing Education state study 2005-2006****(continued)**

The option of tax deferral should be made available to senior citizens with the taxes owed constituting a lien against the sale of the property or the liquidation of the owner's estate.

The League of Women Voters would like to see voluntary adoption of tax base sharing by counties or regions of the state.

The 1972 LWNYS fiscal policy position called for more uniform assessment procedures. A 1975 Court of Appeals decision calling for implementation of full value assessments prompted a study of property tax in 1977 to amplify and clarify what the League meant by "uniform assessment." In 1980, a new position emerged calling for an initial determination of full value, with assessment, or tax rates, set by local governments within classes defined by the state.

The League has supported a variety of bills improving the assessment procedures. A bill, which preserves fractional assessments and all existing local assessment methods, was enacted into law over strenuous League opposition in 1981.

Despite League members' recognition of the generally high level of taxation in New York State, they believe that all of the above recommendations, if implemented, would provide adequate relief. They are firmly opposed to any further legislative or constitutional tax or expenditure limitations, but urge that efficiency, productivity and prudence in government at all levels be encouraged.

Because of the June 26, 2003 Campaign for Fiscal Equity decision (see "State Finances" above), the League commenced testifying on property tax assessment and collection reform, in accordance with our position statement.

In 2005 and 2006 the League, in conjunction with the update of its Financing Public Education K-12 position, studied the STAR Program and reached consensus calling for the replacement of tax relief programs that are not related to need with those that are targeted to individuals most in need. In July 2006, the board amended its Property Tax position to reflect this consensus.

In 2006, the League testified unsuccessfully against expansion of the STAR Program to include a further reduction of school taxes, irrespective of need, in the form of a tax rebate check mailed to each taxpayer eligible for STAR immediately before the November election. On September 21, 2006, the League was invited to participate in an invitation only roundtable discussion of the role of property tax in education finance, hosted by Assemblywoman Galef. It supported statewide funding of CFE, adoption of a foundation approach to education, in which a reasonable rate of local taxation would be established and the remainder of funds would be supplied by the State, and replacement of property tax

STATE FINANCES

IMPACT ON ISSUES 2005-2007

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