



## VILLAGE OF SCARSDALE

### **Residential Assessment Ratio and Equalization Rate FAQ**

**Why does the Level of Assessment (LOA) listed on the Final 2016 Assessment Roll indicate 100% when *preliminary* findings from the New York State Office of Real Property Tax Services (ORPTS) suggest that an 89.06% Equalization Rate may be necessary to reflect 100% market value in the aggregate?**

Pursuant to New York State Department of Taxation and Finance [Opinion of Counsel #11-25](#), the Assessor has no authority to change the LOA on the Final Assessment Roll; it must match that which was listed on the Tentative Assessment Roll. An ORPTS Final Equalization Rate, if any, is formally issued *after* filing of a Final Assessment Roll and *is not* used to update or override the LOA listed by the Assessor.

Please also note that ORPTS has not yet issued a Final 2016 Equalization Rate; their preliminary opinion is subject to both informal and formal challenge. If the preliminary numbers were to become final, the Residential Assessment Ratio (RAR) would be 88.48% and the Equalization Rate would be 89.06%, which means Scarsdale's equalized total taxable assessed value (\$10,118,453,439) would be higher than reported on the Final 2016 Assessment Roll (\$9,011,494,633.00). This estimated increase in taxable total assessed value (\$1,106,958,806) may increase Scarsdale's proportionate share of School and County Taxes.

Importantly, both ORPTS and the Village of Scarsdale are continuing to examine the preliminary Equalization Rate determination. It is possible that the Final Equalization Rate will differ from that referenced above.

**Does the Residential Assessment Ratio (RAR) and/or the Equalization Rate impact one's individual property assessment?**

No. Neither a RAR nor an Equalization Rate change individual property assessments listed on either the Tentative or Final Assessment Roll. However, in the case of an 89.06% Equalization Rate, it would mean that assessments reported on the Final Roll are, on average, 10.94% less than fair market value. Also, when the Equalization Rate is not issued at 100%, it causes an increase in Scarsdale's total taxable assessed value (AV). This may cause increases to Scarsdale's total County and School Tax liabilities, as briefly discussed in the sections below.

**How does the ORPTS Equalization Rate and/or RAR impact one's tax bill?**

#### *School Tax*

The School tax is allocated between the Town of Scarsdale and approximately 200 Mamaroneck strip parcels, with Scarsdale parcels constituting approximately 96% of the aggregate taxable assessed value. Therefore, any marginal change in Scarsdale's aggregate taxable assessed value

associated with the Equalization Rate would have a relatively small impact on its share of the School Tax.

It is anticipated that Scarsdale's portion of the School tax levy may go up slightly, perhaps 1/3 of 1%, due to potential application of the Equalization Rate and Scarsdale's associated proportional increase in total AV. If the Mamaroneck strip properties' aggregate taxable assessed value were to increase proportionate to Scarsdale's aggregate assessed value, then no increase in Scarsdale's share of the School Tax would result.

#### *County Tax*

Scarsdale's portion of the County Tax levy is based on its proportionate share of county-wide equalized taxable full valuation recorded for the 25 assessing jurisdictions located therein. Thus, when a community's equalized total taxable assessed valuation increases or decreases, so may its proportionate share of the County Tax levy, depending on whether other assessing jurisdictions also increase or decrease.

If Scarsdale's proportionate share of the County's total taxable assessed value increases, then the County Tax rate would increase for Scarsdale residents. If it decreases, then the County Tax rate applicable to Scarsdale parcels would also decrease. Past experience suggests variability in Scarsdale's proportionate share of the County's total taxable equalized AV, with Scarsdale's share for the past three years having been 5.437% in 2014, 5.870% in 2015, and 5.540% in 2016.

It is not known at this time how any prospective Equalization Rate will influence Scarsdale's County Tax rate. Any change in the County Tax rate would not become effective until tax bills are generated for the April 2017 tax billing.

#### *Village Tax*

Neither the RAR nor the Equalization Rate influence the total Village Tax, as the tax levy is set through the budget process. However, a Final Equalization Rate of less than 100% may contribute to greater assessment reductions through the grievance and/or appeal process, thereby increasing the Village Tax rate.