

# Revaluation Tutorial

The Town of Macedon is undergoing a re-valuation of all properties in 2026.

The last one was in 2022.

The average increase in assessed value is quite high, and this has led to many comments from the public that deserve a response.

# Understanding Revaluation

There are many misunderstandings about revaluation. **If your main concern** is that your property is incorrectly valued, these slides (beyond this one) do not address that.

- The process for contesting your assessment begins with a request for an “informal appointment” with the Assessor (or the Assessor clerk) to present your data that argues for a different valuation. (Comps, corrections, etc.)
- After that appointment, the Assessor will consider your data and make a decision whether or not to change your valuation.
- If you continue to be dissatisfied, you must formally apply to the Town’s Board of Assessment Review (BAR), for them to hear your case.
- If you remain unsatisfied after the BAR decision, you can escalate to a Small Claims Assessment Review, or a Tax certiorari proceeding in State Supreme Court.

*All process descriptions and necessary forms are located at <https://macedontown.gov>*

# Revaluation Issue #1

“The Town is using this to raise money.”

**Incorrect.**

The Town **budget** determines how much money must be raised in taxes.

The assessments determine each taxpayer’s share of that amount. NYS uses property values to try to **fairly distribute** the tax burden among payers.

There is a lot of debate about whether this is the best way to distribute the tax burden, but this is the commonly accepted method.

If valuations are left incorrect, it results in some people paying too little, and others paying too much. But it does not change the total amount of taxes paid, and therefore does not change how much the town receives.

# Revaluation Issue #2

“The Town assessed at 80% before, why change to 100%?”

Every assessment is **meant** to be at 100% of market value at the time it is made.

As properties get sold, the state compares actual sale prices to what they were assessed at, and those discrepancies are used to determine “are the Town values truly at 100%?”

If they are not, then the Town’s “percentage rating” is not at 100%. If we end up at “80%”, it means that on average, assessments of properties that sold were only at 80% of the selling price. It’s not a **goal**, it is a **result** of the housing market continuing to tell us that our values are wrong.

In theory, if it were to go the other way (with actual sales consistently showing that our values were too high) then our rating might grow over 100%.

Being significantly over or under 100% indicates the need for a reval.

## Revaluation Issue #3

“No way I could ever sell my house for that much!”

The assessor’s job is to estimate the market value of your home as compared to other homes in the Town. The assessor uses comparable properties (square footage, land, amenities, age of home, and many other factors) to do this. You can ask the Assessor which properties yours was compared with. You can present comparables that you found also, which may indicate a different valuation.

You can also have your property professionally appraised, and present that result to the Assessor as evidence that the values should be adjusted.

## Revaluation Issue #4

“The Town can pay me that amount for my property, and I’ll leave tomorrow.”

The purpose of the re-valuation is to ensure the tax burden is spread fairly among all taxpayers, not as an offer to buy property.

If you know anyone who is looking for a house, you know how housing values have gone crazy over the past 5 years. What we all thought a house was worth pre-COVID is laughable now. Owners are routinely *expecting* and *getting* over the asking price.

## Revaluation Issue #5

“The assessor is directed to raise valuations by the Town Board.”

**Incorrect.**

No influence can be (or is) placed upon the assessor by the Town Board to raise or lower anyone’s values.

The Town Board is powerless to compel the Assessor to modify valuations.

*The Town Board could have decided against last year’s proposal to initiate a revaluation, but we have an obligation under New York State guidelines to maintain current assessments. So eventually, this is required.*

The Assessor can voluntarily reconsider valuations between now and the filing of the tentative assessment roll (due May 1.)

## Revaluation Issue #6

“The estimated tax impact on my impact notice has lots of disclaimers, so obviously it cannot be trusted.”

Understandable. There is no way to guarantee what will happen in a future year. The estimated impact says “if everything else about this year was the same next year (except for assessments), what would your taxes be next year?”

Next year probably will bring many changes....more/fewer properties in Town, more/less tax money needed to balance the budget, different exemptions granted to people, etc. But none of those can be guaranteed now.

So, it's true that you cannot rely on the estimated impact coming true next year.

## Revaluation Issue #7

“They never do a re-val if property values are falling.”

As a rule, housing market values do not fall over time. We are in an era now where they are rising faster than they used to, but in general, real estate always appreciates over time.

However, there would be no reason to avoid a re-val in an environment of falling values. **It would mean no difference to the town receiving the tax money.** It would only achieve the same goal of equally distributing the tax burden.

## Revaluation Issue #8

“If my assessment goes up, don’t tell me my taxes won’t!”

We will show a scenario now, to illustrate how, in some cases, the tax burden goes down, even when your assessment goes up.

# What affects your Town tax bill

These things affect your **town** tax bill:

1. Your **property value (PV)** = what you are assessed.
2. The total **taxable assessed value (TAV)** in the town, or district.
3. The amount of money the town (or district) needs to raise in order to balance its budget (**LEVY**).

**Note: #3 is not affected by #1 or #2.**

*School taxes are a little different. Because school districts typically include parts of multiple municipalities, there is an equalization rate used also, to compensate for different assessments in various towns.*

# Case Study

Consider 5 parcels, each assessed with a property value **PV** as shown in the table:

- The total town **LEVY** is **\$1.1 million**
- The total assessed value **TAV** is \$824 million – divide by 1000 -> **824,000**
- Individual property value **PV** (divide by 1000)

Ignoring exemptions, the tax bill always =  $\text{LEVY} \div (\text{TAV}) * \text{PV}$

Parcel	<b>LEVY</b>	<b>TAV</b> (\$000)	<b>PV</b> (\$000)	Original Tax
1	1,100,000	824,000	100	\$ 133.50
2	1,100,000	824,000	150	\$ 200.24
3	1,100,000	824,000	200	\$ 266.99
4	1,100,000	824,000	300	\$ 400.49
5	1,100,000	824,000	500	\$ 667.48
Total Tax Received by Town from these 5 parcels				\$ 1668.70

# Scenario #1 - Town Levy increases

The Town **LEVY** grows from \$1.1 million to **\$1.2 million. (9% more)**. Nothing else changes. In this case we'd expect each parcel to owe more in taxes, by the same percentage.

Parcel	<b>LEVY</b>	<b>TAV</b> (\$000)	<b>PV</b> (\$000)	Original Tax	Scenario 1 Tax	% change
1	1,200,000	824,000	100	\$ 133.50	\$ 145.63	+ 9%
2	1,200,000	824,000	150	\$ 200.24	\$ 218.45	+ 9%
3	1,200,000	824,000	200	\$ 266.99	\$ 291.26	+ 9%
4	1,200,000	824,000	300	\$ 400.49	\$ 436.89	+ 9%
5	1,200,000	824,000	500	\$ 667.48	\$ 728.16	+ 9%
Total Tax Received by Town from these 5 parcels				\$ 1668.70	\$ 1820.38	+ 9%

## Scenario #2 - LEVY increases, so does tax base

Same as Scenario 1, except the **TAV** also grows from \$824M to \$850M. Individual PV values do not change. In this case we'd still expect each parcel's tax burden to change by the same percentage. **The percentage increase is still uniform, but less than scenario 1 because the town's tax base grew.**

Parcel	LEVY	TAV (\$000)	PV (\$000)	Original Tax	Scenario 2 Tax	% change
1	1,200,000	850,000	100	\$ 133.50	\$ 141.18	+ 5.8%
2	1,200,000	850,000	150	\$ 200.24	\$ 211.76	+ 5.8%
3	1,200,000	850,000	200	\$ 266.99	\$ 282.35	+ 5.8%
4	1,200,000	850,000	300	\$ 400.49	\$ 423.53	+ 5.8%
5	1,200,000	850,000	500	\$ 667.48	\$ 705.88	+ 5.8%
Total Tax Received by Town from these 5 parcels				\$ 1668.70	\$ 1764.70	+ 5.8%

# Scenario #3 - A re-valuation occurred

Same **LEVY** required, but now there has been a **revaluation of each parcel in the town**. The change in individual assessments causes the **TAV** to change as well. I am using a **50%** growth in overall taxable value.

In this case we'd expect each parcel's tax burden to change **based on its comparison to all others**. The above-average increases result in a higher tax, while the below-average increases result in a lower tax.

Parcel	<b>LEVY</b>	<b>TAV</b> (\$000)	<b>PV</b> (\$000) Original <b>New</b> (%change)	Original Tax	Scenario 3 Tax	% change
1	1,100,000	<b>1,236,000</b>	<del>400</del> <b>125</b> (25%)	\$ 133.50	\$ 111.25	- 16.7%
2	1,100,000	<b>1,236,000</b>	<del>150</del> <b>200</b> (33%)	\$ 200.24	\$ 177.99	- 11.1%
3	1,100,000	<b>1,236,000</b>	<del>200</del> <b>300</b> (50%)	\$ 266.99	\$ 266.99	0.0%
4	1,100,000	<b>1,236,000</b>	<del>300</del> <b>500</b> (67%)	\$ 400.49	\$ 444.98	+ 11.1%
5	1,100,000	<b>1,236,000</b>	<del>500</del> <b>950</b> (90%)	\$ 667.48	\$ 845.47	+ 26.7%
 <b>Total Tax Received <i>town-wide</i></b>				Unchanged (because LEVY did not change)		0%