## PROCEDURES FOR THE DETERMINATION
## OF 2023 CLASS EQUALIZATION RATES

**Section**

**Section 1 – Definitions** In addition to the definitions set forth in Real Property Tax Law (RPTL) § 102 and 20 NYCRR 8185, when used in these procedures:

*Isolated property* means special franchise property, railroad ceiling property and taxable state land in a special assessing unit and taxable state land for all other assessing units.

*Quantity change factor* means the percent change in the amount of locally assessed taxable real property existing on one assessment roll and the next, expressed as a factor. The factor is computed as follows: (1 + (quantity increases / (current assessed value - quantity increases))) times (1- (quantity decreases/prior assessed value)).

*Sufficient residential inventory data* means where an adequate number of the residential parcels on the measured roll have enough physical property characteristics to apply a CAMA model. Adequate number implies that, at a minimum, 75% of the residential parcels have some residential building information.

*Sufficient residential sales data* means where there are an adequate number of ratio usable residential sales in the period of up to three calendar years preceding the valuation date, such that the conclusion that the weighted mean of the population is within plus or minus 5% of the weighted mean of the set of sales can be reached with 95% confidence. Adequate number implies that the sales ratio study meets the above statistical confidence based on ideally at least 25 ratio usable sales.

### Section 2 – Computation of tentative class equalization rate

The tentative class equalization rates for the 2023 assessment roll are computed by dividing the total assessed value of the taxable real property in each class, or portion class, computed pursuant to Section 3 of these procedures, by the full value of the taxable real property in the class, or portion class, computed pursuant to Section 4 of these procedures, and expressing the quotient as a percentage, rounded to the nearest one hundredth of one percent.

**Section 3 – Computation of assessed value of taxable real property**

1. The total assessed value of the taxable real property in a class, or portion class, equals the total assessed value of the locally assessed properties in the class, or portion class, plus the total assessed value of the isolated properties in the class, or portion class, if any, determined as provided herein.

2. The total assessed value of the locally assessed properties in a class, or portion class, is obtained from the 2023 assessment roll. If the final 2023 assessment roll is not available, then the tentative class equalization rate may be determined using data on the tentative 2023 assessment roll. If the tentative 2023 assessment roll is not available, then the tentative class equalization rate may be determined using any assessment roll data available to ORPTS staff. If a tentative class equalization rate is determined using roll data other than the final 2023 assessment roll and the total assessed value of locally assessed property on the final 2023 assessment roll is 2% or more different from the total assessed value of the assessment roll data used for the tentative rate, or if the estimated 2023 change in level of assessment factor is 5% or more different from the actual 2023 change in level of assessment factor, that rate is recomputed when ORPTS receives a final 2023 assessment roll. If the difference between the tentative class equalization rate and the recomputed tentative class equalization rate is greater than or equal to 5%, then the tentative class equalization rate will be corrected pursuant to Section 6 of these procedures.

3. The total assessed value of the isolated properties in the class, or portion class, equals the sum of the total assessed values of the individual isolated properties in the class, or portion class, on the 2023 assessment roll, if any, subject to the following:

   A. The assessed value of special franchise property shall be the special franchise assessment on the 2023 assessment roll of the special assessing unit.

   B. The assessed value of railroad ceiling property shall be the ceiling assessed value determined by ORPTS for that property on the 2023 assessment roll.

   C. The assessed value of taxable state land shall be the assessment approved by ORPTS for that property for the 2023 roll excluding aggregate additional assessments and transition assessments; provided that the assessed value of a parcel of taxable state land shall be excluded if ORPTS has not completed the appraisal to be used in approving the assessment of that parcel for the 2023 roll.

**Section 4 – Computation of full value of taxable real property as of valuation date**

1. The full value of the taxable real property in a class, or portion class, is computed using the same full value standard as used for the 2023 state equalization rate of the assessing unit. The full value standard for cities, towns and special assessing units is July 1,2022. The full value standard for villages is July 1,2021. The full value of the taxable real property in a class, or portion class, equals the full value of the locally assessed properties in the class, or portion class, plus the full value of the isolated properties in the class, or portion class, determined as provided herein.

2. The full value of the locally assessed properties on the 2023 assessment roll as of the valuation date is determined as follows:

A. For a class, or portion class, the total full value of the locally assessed properties on the measured roll is determined as follows:

   (i)    The full value of locally assessed property for each major type in each survey unit on the measured roll is the same as used to compute the tentative 2023 state equalization rate for the assessing unit.

   (ii)   The full value estimates from (i) above are multiplied by the appropriate market adjustment factors to adjust the full value to the valuation date for the 2023 tentative class rates.

   (iii)  The results from (ii) above, are summed to the appropriate class, or portion class level.

B. A quantity change factor is determined for each class, or portion class, for each assessment roll from the roll immediately subsequent to the measured roll, to the 2023 assessment roll. All data used in the computation is obtained from the assessment roll as if reported pursuant to 20 NYCRR 8193. Isolated properties are not used in any of the computations. The quantity change factor for each assessment roll is computed as follows:

   (i)    Divide the sum of the physical or quantity decreases in the class, or portion class, by the appropriate prior year roll class, or portion class, total assessed value, and subtract the quotient from 1.

   (ii)   Subtract the sum of the physical or quantity increases in the class, or portion class, from the appropriate current year roll class, or portion class, total assessed value.

   (iii)  Divide the sum of the physical or quantity increases in the class, or portion class, by the remainder obtained in (ii), and add the quotient to 1.

   (iv)   Multiply the factor obtained in (i) of this subsection, by the factor obtained in (iii) of this subsection.

C. A change in level of assessment factor for the 2023 assessment roll is computed for each class, or portion class, as follows:

   (i)    Subtract the sum of the equalization decreases from the sum of the equalization increases.

   (ii)   Subtract the sum of the physical or quantity decreases from the prior assessment roll total assessed value.

   (iii)  Divide the value obtained in (i) by the value obtained in (ii), then add the quotient to 1.

D. A cumulative quantity change factor is determined for each class, or portion class, by multiplying the respective quantity change factors for the class, or portion class, for each assessment roll from the roll immediately subsequent to the measured roll, to the 2023 assessment roll, inclusive. The quantity change factors used to compute this value are those computed in (B) except that if the change in level of assessment factor computed for the 2023 assessment roll in (C) for the class or portion class is between 0.9500 and 1.0500 then the quantity change factor for the 2023 assessment

roll is determined by dividing the total assessed value of the class or portion class on the 2023 assessment roll by the total assessed value of the class or portion class on the 2022 assessment roll.

E.  For each class, or portion class, the full value of locally assessed property on the measured roll from (A), is multiplied by the cumulative quantity change factor from (D) to estimate the full value of locally assessed property for the class, or portion class, on the 2023 assessment roll as of the valuation date.

3.  The total full value of any isolated properties in a class, or portion class, equals the sum of the full values of the individual isolated properties in the class, or portion class. The full value of each isolated property is obtained from an appraisal made by ORPTS, subject to the following:

A.  Each isolated property shall be valued according to its physical condition and ownership as of the taxable status date of the 2023 roll.

B.  The full value of special franchise property shall exclude the full value attributable to the base property, if any.

C.  For taxable state land the following applies:

(i)  For assessing units where the full value for taxable state land as used in the tentative 2023 state equalization rate was arrived at by applying the market value ratio for all other locally assessed property, compute the aggregate full value of taxable state land in the class, or portion class, by dividing the aggregate sum of the 2023 assessed values of taxable state land in the class, or portion class, from Section 3 of these procedures, by the market value ratio of all other locally assessed property in the assessing unit. This market value ratio is the same as computed in Section 4 of the *Market Value Survey Procedure for 2023 State Equalization Rates for Cities, Towns, Village Homestead Assessing Units and Counties.*

(ii)  For all other assessing units, the full value for taxable state land in the class, or portion class, is the aggregate full value computed by summing the values of the individual parcels as obtained from the appraisals made by ORPTS, excluding aggregate additional assessments and transition assessments. The value of a parcel of taxable state land shall be excluded if ORPTS has not completed the appraisal to be used in approving the assessment of that parcel for the 2023 assessment roll.

4.  The full value of taxable real property at the full value standard for the 2023 class equalization rate is calculated as follows:

A.  Compute an aggregate full value by summing the full value of locally assessed property determined in (2) above and the full value of isolated property determined in (3) above. For a class in a village, this is the full value for the 2023 class equalization rate. For assessing units that are not villages, compute a market value ratio by dividing the assessed value determined in Section 3 of these procedures by the aggregate full value.

B.  Compute an aggregate full value by dividing the assessed value from Section 3 of these procedures by the locally stated level of assessment for the 2023 assessment roll.

C. If any of the aggregate full values determined in (A) are 5% or less different from the aggregate full value from (B), or if any of the market value ratios from (A) are 5% or less different from the locally stated level of assessment, the locally stated level of assessment is accepted as the 2023 class equalization rate and the full value used to compute the 2023 class equalization rate is the aggregate from (B); otherwise

D. In the non-homestead class, the full value used to compute the 2023 class equalization rate is the aggregate from (A). In the homestead class if only one method was used to estimate the market value of the homestead class then the full value used to compute the 2023 class equalization rate is the aggregate from (A). If more than one method was used to estimate the market value of the homestead class, then the method used to estimate the market value of the residential class in the calculation of the 2023 tentative state equalization rate is used to estimate the market value of the homestead class for the 2023 class equalization rate.

5. The full value of taxable real property in class 1 from this section will be used in determining the residential assessment ratio.

## Section 5 – Notification of tentative class equalization rates

1. After determination of the tentative class equalization rates pursuant to 20 NYCRR 8186-2.7 a notice of the tentative class rates shall be sent at least **25** days before the date specified for the hearing.

2. In addition to the notice, a copy of the data used or generated in the computation of the tentative class equalization rates shall be sent to the assessor. A copy of the data for a city or town shall be sent to the director of real property tax services for the county in which the city or town is located.

3. The following processes apply to particular assessment rolls:

    A. For the New York City, the materials to be sent to the assessor shall be sent to the Commissioner of Finance.

    B. For Nassau County, the materials to be sent to the assessor shall be sent to the chairman of the board of assessors of the county.

4. An affidavit shall be executed and retained proving service of the Notice of Tentative Class Equalization Rates upon the chief executive officer of the special assessing unit or homestead assessing unit.

## Section 6 – Correction of tentative class equalization rates

Tentative class equalization rates may be corrected for a significant error pursuant to 20 NYCRR 8186-2.8. For purposes of this section, the term significant error means a procedural or data error or errors, the correction of which results in a percent difference between a tentative class equalization rate and a recomputed tentative class equalization rate greater than or equal to 5%. Significant errors do not include matters requiring the exercise of judgment or discretion; they do include, but are not limited to, mistakes in transcription from an original record, mistakes in transposing numbers, and mathematical errors in any computation required to be made to determine the class rate. An error corrected as a result of an objection filed in accordance with 20 NYCRR 8186-15 is not a significant error.

**Section 7 – Complaints and complaint review procedures**

A complaint against tentative class equalization rates may be filed as provided by 20 NYCRR 8186-15. If a complaint is filed, the complaint shall be reviewed as provided by that Subpart. A complaint concerning data used for purposes of determining a tentative state equalization rate, class ratio, class equalization rate or special equalization ratio shall be deemed a complaint with respect to such data for all such purposes.

**Section 8 – Establishment of final class equalization rates**

1. If no complaint has been filed against the tentative class equalization rates, the percentages which were determined as the tentative class equalization rates shall be established as the final class equalization rates by ORPTS.

2. If a complaint has been filed against the tentative class equalization rates, the final class equalization rates shall be established by the State Board following the review provided by 20 NYCRR 8186-15.

3. A Certificate of Final Class Equalization Rates shall be executed by the Commissioner or designee of the Department of Taxation and Finance, setting forth such final class equalization rates and the assessment roll for which they were established. A copy of the certificate shall be sent to each person to whom a Notice Tentative Class Equalization Rates was sent pursuant to Section 5 of these procedures.

4. If a complaint has been filed against the tentative class equalization rates, the certificate shall be accompanied by a copy of the findings and determinations approved by the State Board pursuant to 20 NYCRR 8186-15.

5. An affidavit shall be executed and retained, proving service of the certificate upon the chief executive officer of the special assessing unit or homestead assessing unit.

6. A certified statement setting forth the final class equalization rates for each special assessing unit or homestead assessing unit within a county shall be executed and filed with the clerk of the legislative body of the special assessing unit or county and in the Office of the State Comptroller.

7. Final class equalization rates may be rescinded by ORPTS pursuant to 20 NYCRR 8186-2.12.