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Councilperson Celeste Friend
SOUTH UTICA - THIRD WARD



cfriend@cityofutica.com
315-725-5987

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How Utica Works: The Department of Assessment and Taxation

Virtually every municipality in the United States relies on taxation of “real property” for at least a portion of their revenues. These revenues are the money municipalities need in order to provide services to their residents. Utica is no different. Our Budget for 2022-2023 totals \$74.4 million dollars. Our property tax levy is for \$30,224,651. So, the property taxes we each pay amount to less than half of the revenue we depend on to run the City, but are nonetheless, the largest portion of our revenue stream.

In order to tax property owners so that we can provide for collective services, we have to keep close and careful track of who owns each property in the City, and what their taxes are. This is a big, ongoing, year-round task, and at the end of the day, the buck stops with the City Assessor, Rich Maxwell. Mr. Maxwell oversees this crucial City department, located on the first floor of City Hall. The job of the Assessor is laid out in the City Charter, but it is also governed by New York State Real Property Tax Law.

So, here is how The Department of Assessment and Taxation works:



Photo: an image of a rack of maps of all properties in the City of Utica

Accurate and complete assessment rolls must be maintained. The Assessor must make, correct, review, and complete the assessment rolls. The “assessment rolls” simply refers to the complete list of every property in the City, its value, and the corresponding amount it is taxed by the City (as well as the School District and County). This means keeping complete and accurate maps of each taxable property in the City. Individual parcels are assigned a tax i.d. number, which then correspond to a street address. These maps show the boundaries of these properties. These records also list the owner of that property. Since ownership of properties changes constantly (people sell one

house, and subsequently buy another), one important function of the Assessor is to record all “conveyances” of properties in the City. (This is also done by the County, where land deeds are maintained, and so there must be a certain level of coordination between the City and the County on this.) All this information is public. If you want to know who owns a particular property in the City, you can find out in the Assessor’s Office. [You can also follow this link](#). Look for where it says “Click Here for Public Access.”

We must know the value of each property. The value of each property is based on a complete assessment of each property in the City. This is a very big job, and so in a City like Utica, it can only be done from time to time. The last time this assessment was done was in 1998. This then gave us a value for each property that we tax. Your assessed value is shown on your tax bill, as your “Total Assessed Value.” But of course, as time goes by, property values typically go up. So the further we are from that City-wide assessed value, the less accurate that figure becomes. For instance, my house is assessed at \$40,000. When I bought it in 2005, I paid \$44,000 for it. So in 2005, its assessed value and its actual market value were fairly close. But now, I assume that I could sell my house for at least, let’s say, \$150,000. So the assessed value and the actual value correspond less and less as time goes by. And, because the actual value of properties around the City changes from neighborhood to neighborhood over time, some properties are under-assessed, meaning that they are not paying their fair share of taxes, and other properties are over-assessed, meaning that they are paying for more than their fair share of taxes.

Sometimes, a property is improved, and so its value increases. For example, you own an empty lot, but then you build a house on it. Or you tear down a small house and replace it with an apartment building. Or you improve your house by building an addition or building an in-law apartment over your garage. Those properties are now worth more than they were before. So one important job of the Assessor’s Office is to assess properties throughout the City, note these improvements, and then adjust valuations and thereby adjust taxes. One way we do this is to track building permits, so that we know who is building a new property, or making substantial improvements to existing properties. (This is an important function of the Assessor’s Office, and take a lot of human resources – employees who collect the data on properties so that we can accurately assess their value. The Assessor’s Office is understaffed in this respect.) In the 2022-2023 tax year, Utica saw an increase in our total valuation of \$7,000,000. This is a benefit to the City overall, as it means that we will be received more than \$189,000 in additional property taxes.

We are due for a reassessment, which is a big undertaking, and

expensive. It has been 24 years since we last conducted a valuation of the entire City, which means that our valuation is not even close to accurate. (According to the State, our valuation is approximately 54% of the actual market value of our properties.) We will have to pay an outside firm, and it will cost the City at least a million dollars. But until we do that reassessment, those “Total Assessed Value” figures are what we use to calculate the actual taxes you pay. Don’t worry: when we do reassess the properties in the City, this will not simply triple or quadruple everyone’s taxes. We cannot simply conduct a reassessment in order to increase revenues. The City’s budget will remain the same- the budget is the budget. So once we have new valuation, for every property in the City, we will calculate a new tax rate based on the new valuation, keeping the Budget fixed. So, valuations will go up, but the tax rate (this is based on a dollar amount per every \$1,000 of assessed value) will go down proportionate to that increased valuation. Most likely, there will be a few people whose taxes will go up substantially, and a few people whose taxes will go down substantially. This is because those properties are either substantially under-valued or over-valued, and so these property owners are not being treated fairly because of the current valuation. Once we do that revaluation, and reset the taxes all property owners are paying, we would be well-advised to staff our Assessors’ office so that we can easily and affordably conduct our revaluations more regularly, so that as much as possible, everyone pays their fair share of property taxes.

Some properties are exempted from paying taxes at all. Not every property is subject to property taxes, as some are simply exempt. The vast majority of these are made up of houses of worship and certain non-profits, such as schools, social service organizations, and the like. Government owned buildings are also exempt. The most common, statewide property tax exemption is the School Tax Relief program (commonly referred to as STAR). We also give partial exemptions to people on limited incomes who are 65 years old and older. (In 2021, we increased this exemption, at the urging of our Assessor, Rich Maxwell, who encouraged the City to amend our law so that the lower an elderly person’s income, the large their partial exemption.) We also offer similar exemptions for disabled people, and for Veterans. We also offer exemptions for new construction – so new houses have their full taxes roll in over a ten year period. This is meant to give people an incentive to develop empty land or to redevelop land and increase its value. These exemptions have to be applied for, and then most of them have to renewed on an annual basis. It is the job of the Assessor to judge when properties are exempt and to officially grant them that exempt status. If you have any questions about whether you might qualify for an exemption, please call the Department of Assessment at 315-792-0125.

Speaking of exemptions, when Downtown suffered its economic downturn,

property values fell, and many non-profits moved into those empty, affordable spaces. But now that Downtown is recovering, many of those properties are now worth far more than they once were, but they aren't paying property taxes. So we need a long term strategy for Downtown that involves not having too many non-tax-paying entities occupying our prime real estate.

Once a year, we hold a special public meeting, called "Grievance Day". Anyone in the City has the right to contest their assessments. They do this by presenting their complaint to one of our public boards: The Board of Assessment and Review. This Board is composed of people appointed by the Common Council and the Mayor, and we often choose people who have experience in Real Estate. They undergo specific training to serve on this Board, and they are compensated for their time. (Currently, they are paid \$500 for performing this role.) The Board then meets once a year to hear people's complaints about their assessments and to adjudicate them. (Yes, this is really called, in the City Charter, "Grievance Day".)

So there you have it: an overall description of all the work that goes on in the Southeast corner of the first floor of City Hall. Want to know more about how Utica works? Check out the archive, linked below. Want to know something that I haven't (yet) described? Make a suggestion!

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