

## **RAR Information Beginning 2009**

### **Cities and Towns (and Village Homestead Assessing Units)**

As part of annually determining a State equalization rate for each city and town in the State, the Office of Real Property Tax Services (ORPTS) measures the full value of residential real property in each major type of property. Residential property is designated as "major type A" in this market value survey process. It is the results of this major (residential property) full value measurement that is used as the Residential Assessment Ratio (RAR).

The major type A ratio is the ratio of the aggregate local roll assessments of taxable residential property divided by the ORPTS measurement of the full value of the properties. This market value ratio for the residential real property is an indication of the level of assessment for the residential real property in the city or town.

### **How City and Town RAR's are Calculated**

The major type A (residential) market value ratio used in determining the State equalization rate may be based on one or more of the following methods:

- A Sales Ratio Study - done using residential sales and comparing the assessed values on the assessment roll to the selling prices of these properties.
- A CAMA (Computer Assisted Mass Appraisal) Ratio Study - using the inventories and selling prices of residential properties to develop a computer model market value of all the residential property on the assessment roll.
- An Appraisal Ratio Study - using ORPTS appraised values of randomly selected residential parcels, and adjusting for market changes up to the market value of the State equalization rate.

- ... ratios ratio study - using recent market sales and comparing the assessed values on the assessment roll to the selling prices of these properties.
- A CAMA (Computer Assisted Mass Appraisal) Ratio Study - using the inventories and selling prices of residential properties to develop a computer model market value of all the residential property on the assessment roll.
  - An Appraisal Ratio Study - using ORPTS appraised values of randomly selected residential parcels, and adjusting for market changes up to the market value the State equalization rate.
  - A Local Reassessment Project Review - using the ratio for the residential property from a recent reassessment that has been reviewed and verified by ORPTS. If reassessment is not for the current year assessment roll then the prior reassessment verification result is adjusted for market changes up to the market value the current State equalization rate.
  - If usable results are available for more than one of the above methods then the full values of the results are averaged to arrive at the residential ratio to be used as the major type A.
  - In some cases, when none of the above are deemed usable, an alternate ratio may be developed by ORPTS and used as the major type A ratio.
- Beginning with the 2013 State equalization rates, if the city or town provides ORPTS with their Level of Assessment (LOA) for the upcoming assessment roll one week before the latest date to establish the RAR, and if the major type A (residential) ratio determined by ORPTS is within plus or minus five percent of this LOA, then the LOA will be accepted as the major type A (residential) ratio.

Refer to the "Market Value Survey Procedure for 2013 State Equalization Rates for Cities, Towns, Village Homestead Assessing Units and Counties" for more detail concerning the determination of the major type A ratio. For the Nassau County assessment roll and for the New York City assessment roll the residential properties residential ratio are designated as major type 1 (real property class 1) instead of as major type A.

When the Assessor's Annual Report for the 2013 assessment roll is received and reconciled the RAR will be adjusted if there is a significant residential change in assessment (CIL). For cities, towns, village homestead assessing units, and counties, the residential CIL **and** the assessment unit wide CIL must be greater than (5%).