

# Collaborative Property Tax Administration in Albany County:

A Review of Assessment and Tax Collection Options

Prepared by:

***Center for Governmental Research, Inc.***

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**CGR**

# Introduction

- Project Team
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- What is CGR?
  - Founded in 1915
  - Full service public sector management consulting
  - Non-profit, fact-based, objective research and analysis to empower public policy action

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# Project Origins

- CPTAP grants from the State Office of Real Property Services
- Albany among 50+ counties to receive grants, but the *only* one to combine the grants into one analytical effort
  1. Property assessment practices
  2. Tax collection processes

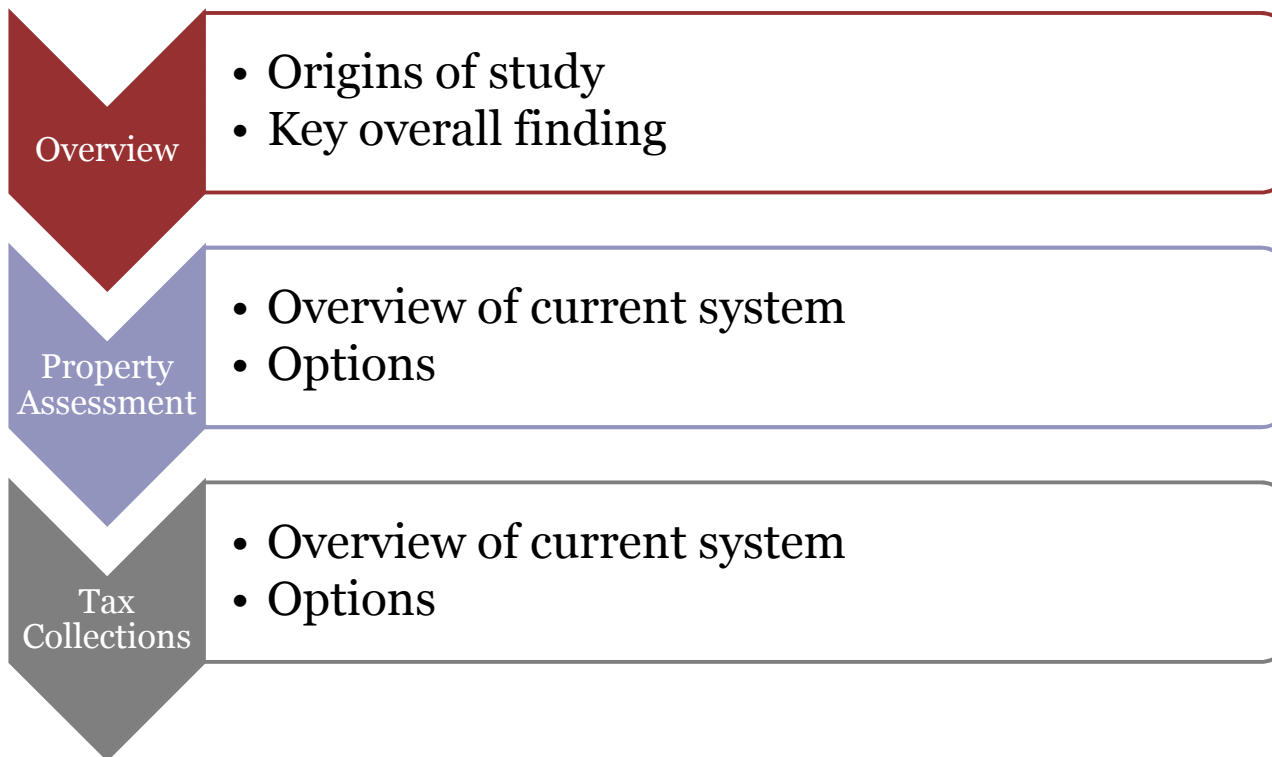
# Key Overall Finding:

## Information & Data

- Absence of formal linkages among data and information platforms
- Creates duplication of process that yields inefficiency and inaccuracy
- Timeliness, sharing and accuracy of information are not being optimized in current system

*A more coordinated approach to linking data systems would enhance accuracy, efficiency and usefulness*

# Presentation Outline



# Assessment:

## Current Operations

- 14 assessing units for 14 municipalities + County RPTS
  - 10 towns, 1 village, 3 cities
- 52 personnel (37.5 FTE) @ municipal level
- 6 personnel (4.75 FTE) @ County
- Total spending:
  - \$2.68 million @ municipal level
  - \$521,000 @ County (RPTS & Econ Dev)
  - Net (\$46,000) from other costs/aid

**Total Net Cost = \$3.16 million**

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# Options Reviewed in Study

- County-run assessing
- County-coordinated assessment program (CCAP)
- Local CAPs (w/o County involvement)
- Other options
  - Commercial/industrial
  - Exemptions
  - Common countywide standards
  - Centralized/coordinated data sharing

# County-Run Assessing

*“There are significant implementation challenges facing the County if it chooses to pursue (this) model...”*

- Inconsistency of data quality
- Reassessment work
- Multiple referendum approvals
- Upgrades to County staff and IT capacities

# County-Run Assessing

- County would assume assessment responsibility
- Requires three (3) public referenda
  - cities as one unit + 1 village + remaining countywide
- Replace the Director of RPTS with Director of Assessing
  - Either civil service or 6-year appointment
- Requires all municipalities to have the same level of assessment and assessment calendar

# County-Run Assessing

## Cost Modeling

- ***Transition Costs = \$1.29 million***
  - Aggregate cost = \$2.46 million
  - Aid available = (\$1.17 million)
- ***Operating Costs = \$2.85 million***
  - Aggregate cost = \$3.45 million
  - Revenue/aid available = (\$0.6 million)

# County-Coordinated Assessing Program (CCAP)

- Does not require public referenda
  - Created through inter-municipal agreements
- One assessor
- One standard of assessment
- Synchronized assessment calendar
- Local municipalities maintain jurisdiction over assessing while agreeing to work with the County's assessor

# County-Coordinated Assessing Program

## Cost Modeling

- ***Transition Costs = \$1.15 million***
  - Aggregate cost = \$2.43 million
  - Aid available = (\$1.28 million)
- ***Operating Costs = \$2.71 million***
  - Aggregate cost = \$3.31 million
  - Revenue/aid available = (\$0.6 million)

# Local CAPs

- Two or more assessment units can form a CAP
  - Local boards adopt intermunicipal agreement(s)
  - Same level of assessment, equalization rate
  - Shared assessor and costs
- Many options in Albany County
- Report models potential sample CAP involving Cohoes, Watervliet and Green Island

# Other Options

- County assumes commercial/industrial
  - Expertise; cost-effectiveness over time
- Exemption services
  - Alleviate paperwork
- Countywide common assessment standards
  - Common assessment calendar
  - Common revaluation schedule
  - Common LOA and valuation/data collection standards
  - Standards for outside contractors, central purchasing

# Centralized/Coordinated Data Sharing

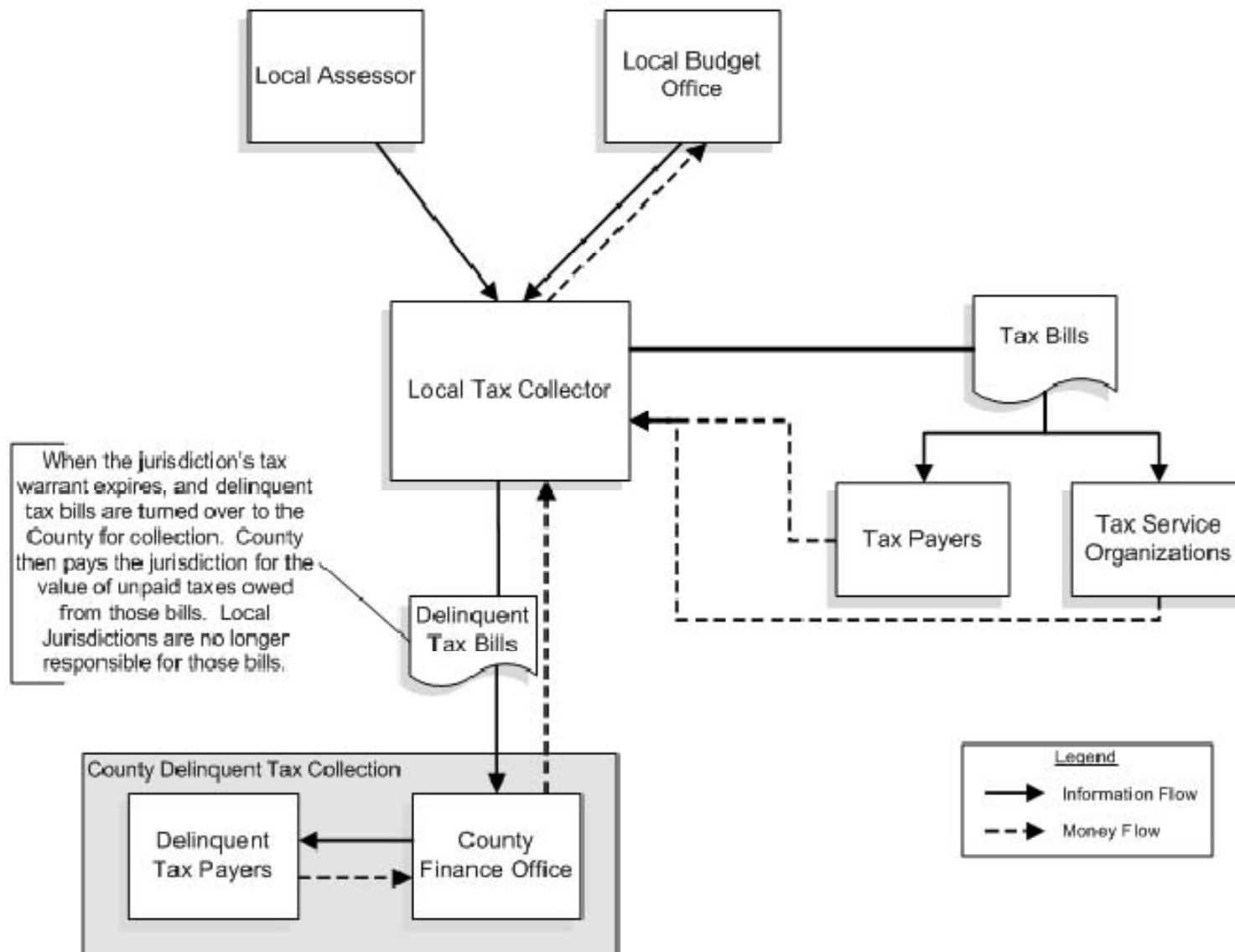
- Absence of formal linkages between RPS system and County Access database
- Potential for inefficiency and inaccuracy
- Options
  - Citrix
  - Terminal services
  - Replication
  - Upload/reload with more regularity

# Tax Collection

## Current Operations

- Current system is decentralized
- Nineteen municipalities + twenty school districts collect taxes within their boundaries, with the County responsible for delinquencies
- Many municipalities collect taxes for their *own* purposes and for *other* entities (*e.g.*, County, schools, fire/sewer/water districts)

Figure 1: Current Tax Collection Process



# Tax Collection

## Challenges

- Timeliness and sharing of information
- Cost
- Accuracy

# Tax Collection

## Timeliness and Sharing of Information

- Though most municipalities have good systems to manage information, the communication between ORPS, the County and the municipalities is *not* optimal because of the number of different systems, and the time lag of information flow between governments

# Tax Collection

## Cost and Accuracy

- **Cost:** Local tax collection has a high level of personal service, but it is costly to maintain local collection offices
- **Accuracy:** Because data and information is entered multiple times at different levels of government, the probability of errors goes up

# Tax Collection

## Possible Options

- Full Consolidation
  - County assumes full control over the system and collects taxes for all jurisdictions
- Partial Consolidation or Shared Services
  - Shared services between municipalities, shared software, joint purchasing/functionality, etc.
- Centralized/Coordinated Database
  - Leveraging separate information systems to yield a more comprehensive, real-time resource

# Tax Collection

## Centralized/Coordinated Database

- Advantages
  - Increased efficiencies and cooperation
  - Full integration from collection through delinquencies
  - Simplified data collection
  - Greater accessibility by municipals, schools, County
  - Enhanced accuracy

## Implementation Issues to Address

- Transition costs
- Timing
- Technological
  - Software
  - Hardware
  - Training
- Encouraging local participation

# Conclusion:

## Key Overall Finding

- Information, information, information!
- Absence of formal linkages
- Built-in inefficiencies and inaccuracies
- Leveraging information to enhance timeliness, sharing and accuracy would yield a better system for local *and* County officials