

TAXES vs TAX ASSESSMENT

The taxes you pay are based on budgets. In the Town of Plattsburgh, you have a Town/County Tax Bill (that comes out in January) and a School Bill (that comes out in September).

Your property assessment, also called a tax assessment, is based on the market forces, as well as NYS mandates. In the Town of Plattsburgh, we assess properties individually, rather than applying a blanket increase to everyone.

How are they related?

Each entity (town, county, and school district) has a fiscal year and a **budget**. Those budgets determine how much money must be collected via taxes, fees, grants, and other funding sources in order to run for the next year. The amount of money that must be raised by taxes is the number that is then used to set the **tax rate**. The tax rate is a set percentage that is applied to your property assessment in order to issue a tax bill.

Let's use the school district as our example.
(the numbers used below are just for explanation purposes)

Let's say the school district has determined that they need \$20 million to operate for the next fiscal year.

In order to determine how much money they must collect from the properties in their district, they will need to look at the total assessed value of their school district which is determined by adding all of the district's property value together.

For this example, let's say the total assessed value of the district is \$10 billion.

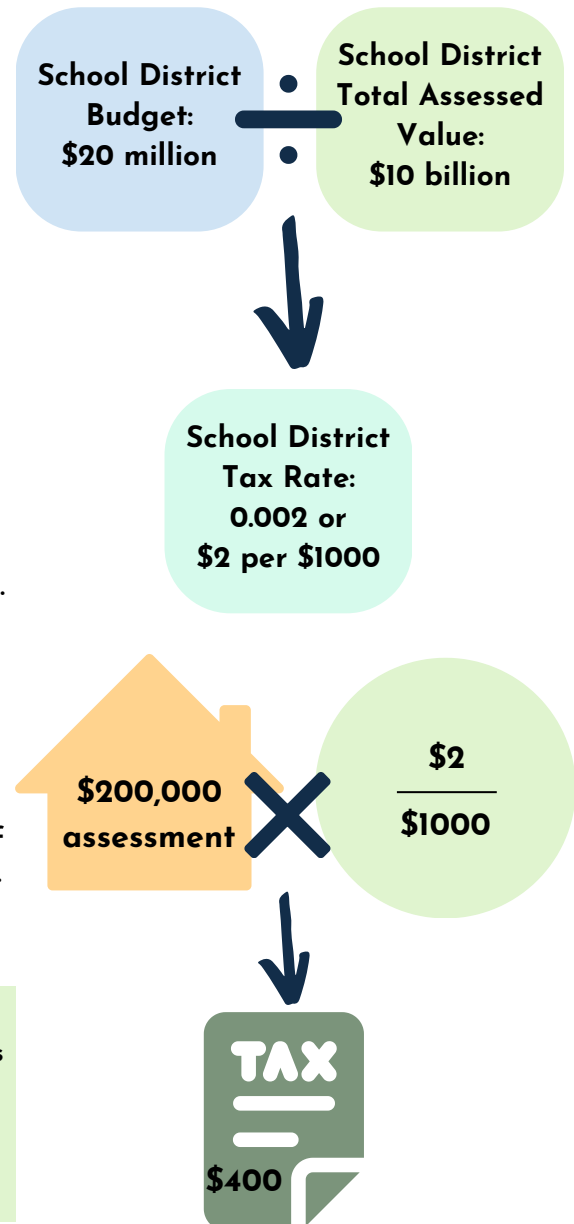
So, if you had to collect money from each property at an equal rate so that everyone pays an amount that is based on their property value, you would take the budgeted amount (\$20 million) and divide it by total assessed value (\$10 billion). That would give you: 0.002.

This number translates to the tax rate which would be \$2 paid by the property owner for every \$1000 of their assessed value.

For the example, if you lived in this school district and your property assessment is \$200,000, and we apply the tax rate of \$2 for every \$1000 of assessed value, you get a result of \$400. This is the amount that would be reflected on that person's tax bill from the school district.

This means that although your tax bill is based on the tax rate applied to your property assessment, the amount of taxes needing to be collected is based on the budgetary needs of the taxing authority. The rate itself will fluctuate depending on the budgets that are set by each entity's board or legislative body.

Let's work through the math



Does my assessment HAVE to change?

New York State

New York State (NYS) determines if our assessments are too low based on their evaluation of market data. They dictate to the Town whether assessments need to go up. NYS determined that the Town of Plattsburgh was falling behind. In this case there are two options: 1. you can raise assessments, which is what we did or 2. you can leave the assessments where they are and your tax rates will be increased (which we opted not to do).

Rather than have every property increased an arbitrary 30% across the board, it is more equitable to assess each property individually based on location, condition, and comparable market sales. Meaning your property and someone else's property should not both increase by 30% if, in reality, your property only increased 20% in value and someone else's increased 40%.

Another way to think about it, is if someone for example has a property in poor condition, and it has been degrading. You would not want to increase that poor condition property the same rate you would increase a house in good condition with a brand new 2 bedroom addition for example.

Many other communities increase everyone the same % and disregard the individual nature of each property.

Now, we know that the market has been unprecedented in recent years, but we do not have control over NYS's requirements.

Sales Tax Allocation

The Town of Plattsburgh runs primarily on the allocation of sales tax. You may have noticed on your previous Town tax bills that there is no general fund property tax. The Town of Plattsburgh does not have a general fund property tax. We have district fees for special services, and a highway tax. The reason for this is due to the fact that we receive an allocation of sales tax that is collected by Clinton County.

New York State sales tax rates are broken up by State and County. In Clinton County our sales tax rate is 8%. 4% is for the state and 4% is retained by the County. That 4% is then reallocated to the individual municipalities based on overall assessed value, except for the City of Plattsburgh which receives their allocation based on population.

So, this means that the Town receives a lump sum amount from Clinton County based on our roughly 14.5 billion dollar town-wide property value. This prevents us from needing to implement a general fund tax. In order to keep up with our proper allocation of these funds, we have to keep our assessments up to date with our neighboring municipalities.

The Town of Plattsburgh has a significant retail economy which sustains this model. Additionally, much of that sales tax money is collected from out of town, out of state, and even out of country visitors, such as our Canadian neighbors. The benefit of this is that the financial burden is spread among a greater population of folks paying sales tax throughout the region.

Market Forces

The real estate market has been fiercely competitive and sale prices are very high. This is due to a couple of factors.

The first consideration is the supply of housing stock. The supply of housing stock is very low and is not increasing enough to keep up with demand. We are in a housing crisis.

The second consideration was the market chaos of the COVID-19 pandemic. When interest rates reached record lows, people bought houses as fast as they could to lock in good rates. This meant many people buying up stock quickly and the demand increasing to the point where homes were bought for far over asking price and bidding wars ensued.

Due to the increased demand for housing, many folks have opted to build. However, building costs have also increased significantly and the competition for builders and contractors has also increased.

We have also seen a number of properties sell for high prices due to out of area buyers with more financial means, as well as properties being bought for second homes or to be used as vacation rentals.

These inflated prices, lack of available stock, and lack of prospective stock are taking a toll on comparable sales. Meaning the price that your neighbors' houses are selling for, will directly affect the assessed value of your property.

What does the Town consider when my property is re-assessed?



Condition/Changes

Another factor in determining your property assessment is the current condition or any changes to your property. For example, some properties have recent damages, maybe a new addition, maybe you added a new garage, etc. These are also factors that need to be considered. If there has been any change in your property that you think the assessor should consider, you should provide that information to them so they can re-evaluate your assessment and determine if any changes should be made.

What should I do if I have evidence of different comps or condition of my property?

Please make an appointment to provide them to the assessor. This information will be helpful in working with the assessor to determine a fair assessment for your property.

If my assessment went up, does that mean my taxes automatically go up?

Not necessarily.

You have 3 taxing jurisdictions to consider. The Town, the County, and your School District. Each one of these entities has an annual budget that determines how much money must be raised through taxes. If the budget does not increase, or possibly goes down, you should see very little change in your tax bill. If these budgets go up, you may see an increase in your tax bill. Let's use 2021 and 2022, which is the last time most Town of Plattsburgh residents saw a significant increase:

2021 EXAMPLE Rates and Taxes Paid

Town of Plattsburgh 2021 Sample Assessed Property Value: **\$175,000**

Town of Plattsburgh 2021 Sample Special District Rate: 3.780788

Clinton County 2021 Tax Rate: 6.15144800

Beekmantown School District 2021 Tax Rate: 16.71716500

Town of Plattsburgh 2021 Sample Tax Bill Amounts:

Town: **\$661.63 (special district fees)**

County: **\$1076.50**

School District: **\$2,758.33**


2022 EXAMPLE Rates and Taxes Paid

(\$20,000 increase in assessed value)

Town of Plattsburgh 2022 Sample Assessed Property Value: **\$195,000** 


Town of Plattsburgh 2022 Sample Special District Rate: 3.571547 

Clinton County 2022 Tax Rate: 5.43633900 

Beekmantown School District 2022 Tax Rate: 16.23681700 

Town of Plattsburgh 2022 Sample Tax Bill Amounts:

Town: **\$696.46 (special district fees)**  **+\$34.83**

County: **\$1,060.09**  **-\$16.41**

School District: **\$2,679.07**  **-\$79.26**

How is my 2025 Tax Bill going to look?

We can't give you exact numbers until each entity sets a 2025 budget. However, we can use past increases in assessment to show you how some tax bills have been affected in the past.



Let's look at how real tax bills have changed over time with increases in assessment:

*** (STAR Credit not accounted for in this example)*

Property #1

2019 Assessed Value: \$140,500	Town/County Bill: \$1213.17	School District Bill: \$2489.36
2020 Assessed Value: \$151,100	Town/County Bill: \$1170.21	School District Bill: \$2460.12
2021 Assessed Value: \$184,700	Town/County Bill: \$1239.98	School District Bill: \$2525.96
2022 Assessed Value: \$210,200	Town/County Bill: \$1196.60	School District Bill: \$2998.94
2023 Assessed Value: \$210,200	Town/County Bill: \$1278.62	School District Bill: \$2976.29
5 Year Difference: +\$69,700	+\$65	+486.93

Property #2

2019 Assessed Value: \$143,400	Town/County Bill: \$1238.21	School District Bill: \$1188.26
2020 Assessed Value: \$128,000	Town/County Bill: \$1066.10	School District Bill: \$2185.63
2021 Assessed Value: \$145,700	Town/County Bill: \$1407.23	School District Bill: \$2270.80
2022 Assessed Value: \$145,700	Town/County Bill: \$1153.83	School District Bill: \$2862.75
2023 Assessed Value: \$205,000	Town/County Bill: \$1419.16	School District Bill: \$3049.86
5 Year Difference: +\$61,600	+\$180.95	+1861.60

Property #3

2019 Assessed Value: \$710,000	Town/County Bill: \$8416.94	School District Bill: \$14,408.30
2020 Assessed Value: \$710,000	Town/County Bill: \$8434.63	School District Bill: \$14,766.61
2021 Assessed Value: \$710,000	Town/County Bill: \$8378.02	School District Bill: \$16,393.70
2022 Assessed Value: \$870,000	Town/County Bill: \$9480.98	School District Bill: \$15,077.46
2023 Assessed Value: \$870,000	Town/County Bill: \$8921.22	School District Bill: \$16,101.07
5 Year Difference: +\$160,000	+\$504.28	+1692.77