

Procedures of the Office of Real Property Tax Services

**PROCEDURE FOR THE ESTABLISHMENT OF SPECIAL EQUALIZATION RATIOS FOR THE FISCAL YEAR ENDING IN 2026**

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**Section**

- 1** Definitions
- 2** Assessment Rolls and Full Value Standards Applicable to Special Equalization Ratios
- 3** Adjustments to Market Value Ratios and Special Equalization Ratios
- 4** Computation of Estimated Annual Trend
- 5** Computation of Tentative Special Equalization Ratios
- 6** Notification of Tentative Special Equalization Ratios
- 7** Correction of Tentative Special Equalization Ratios
- 8** Complaints and Complaint Review Procedures
- 9** Establishment of Final Special Equalization Ratios
- 10** Rescission of Final Special Equalization Ratios

**Section 1 Definitions.** In addition to the definitions set forth in sections 1250 and 1260 of the Real Property Tax Law and the rules for Real Property Tax Administration (20 NYCRR) when used in this procedure:

- a. **City** means a city with a population of 125,000 or more inhabitants.
- b. **Cumulative trend index** means an index representing the estimated market value trend from the first trend point to a subsequent trend point.
- c. **Estimated annual trend** means the estimated average annual rate of change in the market value of a city or city school district segment.
- d. **Estimated market value trend** means the rate by which market values are estimated to be changing over a specified period of time.
- e. **Implied annual trend** means the estimated market value trend annualized from the first survey in a survey period to the next.
- f. **Last completed assessment roll** means the latest assessment roll completed, verified and filed on or before the date upon which the amount to be raised on real estate is actually determined.
- g. **Survey period** means the period of time between the valuation dates of two consecutive surveys.
- h. **Trend point** means the numerical representation of the valuation date of a survey; or a date at a one-year increment from the earlier of two consecutive survey valuation dates.
- i. **Valuation year** means the calendar year containing the valuation date.
- j. **20 NYCRR rules** refers to title 20 of the New York Codes, Rules, and Regulations

**Section 2 Assessment Rolls and Full Value Standards Applicable to Special Equalization Ratios.**

The *assessment rolls* for which special ratios are established are the assessment rolls for five consecutive years, ending with the last completed assessment roll filed by a city.

The *full value standard* of each special ratio is the first day of January for each of five consecutive years, ending with January 1, 2026.

**Section 3 Adjustments to Market Value Ratios and Special Equalization Ratios.**

- a. When adjusting a market value ratio or special equalization ratio for assessment level change to a more current roll, multiply by the appropriate cumulative change in level of assessment factor.
- b. When adjusting a market value ratio for assessment level change to a previous roll, divide by the appropriate cumulative change in level of assessment factor.
- c. When adjusting a market value ratio or special equalization ratio for market level change to a more current valuation date, divide by the appropriate estimated annual trend expressed as a factor.

**Section 4 Computation of Estimated Annual Trend.**

- a. Determination of Trend Points
  - 1. The valuation date of the first market value survey used to compute an estimated annual trend is assigned a value of one.
  - 2. The valuation date of each subsequent market value survey is assigned a value equal to one plus the number of years elapsed since the valuation date of the first market value survey.
  - 3. When a survey period is greater than one year, trend points are established within the survey period at one-year intervals. The value of each trend point within the period is calculated by adding one to the value of the trend point of the earlier survey for every year elapsed since the earlier survey's valuation date.
- b. Assessment Rolls, Market Value Surveys and Trend Points Used
  - 1. For New York City, the assessment rolls and market value surveys listed below are used to calculate the annual trend. This trend is used to estimate the January 1, 2025 and January 1, 2026 value of New York City.

<u>Assessment Roll</u>	<u>Survey</u>	<u>Valuation Date</u>	<u>Trend Point</u>
1992	1990	January 1, 1990	1
			2
1993	1992	January 1, 1992	3
1994	1993	January 1, 1993	4
1996	1994	January 1, 1994	5
			6
1997	1996	January 1, 1996	7
1998	1997	January 1, 1997	8

			9
1999	1999	January 1, 1999	10
2000	2000	January 1, 2000	11
2001	2001	January 1, 2001	12
2002	2002	January 1, 2002	13
2003	2003	January 1, 2003	14
2004	2004	January 1, 2004	15
2005	2005	July 1, 2004	15.5
2006	2006	July 1, 2005	16.5
2007	2007	July 1, 2006	17.5
2008	2008	July 1, 2007	18.5
2009	2009	July 1, 2008	19.5
2010	2010	July 1, 2009	20.5
2011	2011	July 1, 2010	21.5
2012	2012	July 1, 2011	22.5
2013	2013	July 1, 2012	23.5
2014	2014	July 1, 2013	24.5
2015	2015	July 1, 2014	25.5
2016	2016	July 1, 2015	26.5
2017	2017	July 1, 2016	27.5
2018	2018	July 1, 2017	28.5
2019	2019	July 1, 2018	29.5
2020	2020	July 1, 2019	30.5
2021	2021	July 1, 2020	31.5
2022	2022	July 1, 2021	32.5
2023	2023	July 1, 2022	33.5
2024	2024	July 1, 2023	34.5

2. For all cities and towns, except New York City, the assessment rolls and market value surveys listed below are used to calculate the annual trend. This trend is used to estimate the January 1, 2025 and January 1, 2026 values of the city or town.

<u>Assessment Roll</u>	<u>Survey</u>	<u>Valuation Date</u>	<u>Trend Point</u>
2014	2014	July 1, 2013	1
2015	2015	July 1, 2014	2
2016	2016	July 1, 2015	3
2017	2017	July 1, 2016	4
2018	2018	July 1, 2017	5
2019	2019	July 1, 2018	6
2020	2020	July 1, 2019	7
2021	2021	July 1, 2020	8
2022	2022	July 1, 2021	9
2023	2023	July 1, 2022	10
2024	2024	July 1, 2023	11

c. Computations

1. Where the market value ratios for two consecutive surveys are not determined for the same assessment roll, compute an *adjusted market value ratio* for the

earlier survey by multiplying the market value ratio of the earlier survey by any change in level of assessment between the assessment roll for the earlier survey and the assessment roll of the later survey.

2. Compute the *estimated survey period market value trend* for each survey period by dividing the market value ratio, or adjusted market value ratio, of the earlier survey in the period by the market value ratio of the later survey, and subtracting one from the quotient.
3. Compute an implied annual trend for each survey period as follows:
  - i. Let K equal the number of years between the valuation dates of the two surveys.
  - ii. Let L equal the inverse of K.
  - iii. Add one to the estimated survey period market value trend and raise it to the Lth power.
4. For each trend point which is one *year later than the preceding trend point*, compute the *cumulative trend index* by adding the implied annual trend of the survey period to the cumulative trend index of the preceding trend point. The cumulative trend index of the first trend point is zero.
5. The *estimated annual trend* equals the regression coefficient (slope) computed by the least squares method, using the cumulative trend indices and the trend points as the X and Y coordinates, respectively.

#### **Section 5 Computation of tentative special equalization ratios.**

- a. Each tentative special equalization ratio with a full value standard equal to the full value standard of a market value survey is equal to the market value ratio of that market value survey, adjusted by the change in level of assessment factors from the assessment roll for which the survey is completed to the assessment roll for which the tentative special equalization ratio is established.
- b. The first tentative special equalization ratio which has a full value standard subsequent to the valuation date of the latest survey equals the market value ratio of the latest survey adjusted by the change in level of assessment factors between the assessment roll of the latest survey and the assessment roll for which the special equalization ratio is computed and adjusted by the estimated annual trend.
- c. The tentative special equalization ratios for the remaining assessment rolls equals the special equalization ratio for the immediately preceding assessment roll adjusted by the change in level of assessment factors between the immediately preceding assessment roll and the assessment roll for which the special equalization ratio is computed and adjusted by the estimated annual trend.
- d. Upon the completion of these computations, all special equalization ratios are rounded to the nearest one hundredth of one percent.

#### **Section 6 Notification of Tentative Special Equalization Ratios.**

- a. The percentages computed pursuant to section 5 of these procedures shall be determined as the *tentative special equalization ratios* for the applicable fiscal year by the State Office of Real Property Tax Services.

- b. *A Notice of Determination of Tentative Special Equalization Ratios* shall be mailed to the chief executive officer and legal representative of a city.
- c. The notice shall be mailed:
  - 1. at least 20 days prior to the ensuing fiscal year and at least five days before the date specified for the hearing.
- d. The notice shall include:
  - 1. a statement that the tentative ratios have been determined;
  - 2. the tentative special equalization ratios;
  - 3. an identification of the fiscal year for which the ratios were established;
  - 4. a report showing the manner in which the ratios were computed; and
  - 5. the time and place that a hearing will be held to hear any complaint concerning such ratio.
- e. An affidavit shall be executed and retained proving service of each Notice of Determination of Tentative Special Equalization Ratios.

#### **Section 7 Correction of tentative special equalization ratios.**

The tentative special equalization ratios may be corrected when a significant error in the calculation of the ratios is discovered. Significant error means a procedural or data error or errors, the correction of which results in a percent difference between the estimated five-year average full value based upon the tentative ratios and the estimated five-year average full value based upon the recomputed ratios greater than or equal to two percent. 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 pursuant to this procedure. An error corrected as a result of an objection filed in accordance with 20 NYCRR Subpart 8186-15 (formerly title 9 NYCRR Subpart 186-15) is not a significant error.

#### **Section 8 Complaints and complaint review procedures.**

- a. A city may obtain administrative review of its tentative special equalization ratios by serving a written complaint, specifying its objections, on or before the date of the hearing, or by appearing at the hearing.
- b. The provisions of 20 NYCRR Subpart 8186-15 (formerly title 9 NYCRR Subpart 186-15) shall apply to the review of a complaint filed pursuant to these procedures; provided, however:
  - 1. A city may waive its right to a hearing by filing with the State Board of Real Property Tax Services a written waiver signed by the chief executive officer or the legal representative.
  - 2. Where a city has requested in its complaint that the State Board of Real Property Tax Services consider specific market value information appearing in its office or acquired in the discharge of its duties, and where the use of such information is not provided for by section 5 or 6 of these procedures, staff shall transmit the request to the board with a recommendation thereon.

#### **Section 9 Establishment of final special equalization ratios.**

- a. If no complaint has been filed against the tentative special equalization ratios, the percentages which were determined as the tentative special equalization ratios shall be established as the final special equalization ratios by the State Office of Real Property Tax Services.
- b. If a complaint has been filed against the tentative special equalization ratios as provided in section 8 of these procedures, the final special equalization ratios shall be established by the State Board of Real Property Tax Services following the review of the complaint. If a city has requested in its complaint that the board consider specific market value information appearing in its office or acquired in the discharge of its duties pursuant to these procedures, the board shall give such information appropriate consideration, notwithstanding the fact that the consideration of such information may not be provided for by section 4 or 5 of these procedures.
- c. A Certificate of Final Special Equalization Ratios shall be executed by the secretary or designee of either the State Board of Real Property Tax Services or the Department of Taxation and Finance, setting forth such final special equalization ratios and the fiscal year for which they were established. A copy of the certificate shall be mailed to each person to whom a Notice of Determination of Tentative Special Equalization Ratios was mailed pursuant to section 6 of these procedures.
- d. An affidavit shall be executed and retained proving service of each Certificate of Final Special Equalization Ratios.

#### **Section 10 Rescission of Final Special Equalization Ratios.**

The final special equalization ratios of a city may be rescinded, and new tentative special equalization ratios established by the State Office of Real Property Tax Services, if all of the following conditions are present:

- a. A change in level of assessment greater than or equal to two percent has been determined for the current roll after the final special equalization ratios have been established.
- b. As a result of the change in level of assessment for the current roll, there has been a significant error, as that term is defined in section 7 of these procedures, in the computation of the final special equalization ratios.
- c. There is sufficient time to establish corrected final special equalization ratios prior to the beginning of the fiscal year of the city.