

City of Buffalo Property Tax
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What is the City of Buffalo Property Tax?

The property tax is essentially a tax placed on property owners by the municipality. Cities outside of New York City may use only revenue sources authorized by New York State, and the property tax is one of those few sources.¹

How is the property tax calculated?

The property tax is based on the value of the property. The tax is calculated by multiplying a property's taxable assessment by the tax rate that applies to the tax jurisdiction where the property is located.²



What is the City of Buffalo tax rate?

The tax rate for homestead property is \$18.83 per every thousand dollars, or 1.88%.³ The tax rate for non-homestead property is \$32.76 per every thousand dollars.⁴ Under the New York State Constitution, cities outside of New York City are allowed to levy no more than 2% of the five-year average full valuation of taxable real property located in the city.⁵ The City of Buffalo's levy is currently 1.8%, which is one of the highest nationwide.⁶

Buffalo's high tax rate stems partly from the fact that Buffalo's property values are among the lowest in the nation. In another city, a comparable house might be worth twice as much, meaning that the city could tax it at half the rate of Buffalo, but the owner would pay the same amount. Thus, Buffalo's tax burden – the amount of property taxes the average resident pays – does not rank nearly as high as its tax rate.

What is the average Erie County tax burden and how does it compare to other areas in the state?

For 2007, the average household in Erie County paid about \$2,627 in property taxes per year (\$562 county, \$647 city/town, and \$1,418 school).⁷ Average property tax burdens from other counties in the state included the following:

- Allegheny County: \$1,935
- Monroe County:\$3,705
- Niagara County:\$2,692
- Onondaga County :\$3,097
- Westchester County: \$10,990.⁸

How much revenue does the property tax bring in for the City?

In the City's 2009 budget it is estimated that property tax will account for \$127.1 million dollars in revenue brought in by the City.⁹ Revenue from the property tax accounts for approximately 29.21% of all City revenue.¹⁰



How is the revenue brought in through the property tax spent?

The money raised through property taxes is spent in essentially four main areas: 44% goes into the City's general fund, 34% goes to the Buffalo Public School District and 2% is spent on libraries.¹¹ The remaining 20% represents the County's property tax, which is collected by the City and given to the County.¹²

How has the City addressed the property tax since Mayor Brown began his administration?

Property tax rates in the City of Buffalo have been reduced by 12% and commercial property taxes by 13% since Mayor Brown took office in 2006.¹³ The City included a 4.8% rate reduction for residential property taxes in its 2009 budget.¹⁴

What determines the property tax?

The property tax is part of the budget and gets approved by the City government.¹⁵

Who is in charge of administering the City property tax?

The City of Buffalo Taxation and Assessment Department is in charge of executing the City's real property tax system.¹⁶ Some of the Department's duties include keeping all records relating to the property tax, preparing and mailing all property tax bills and determining whether or not certain exemptions apply.¹⁷

What are some exemptions to the property tax?

Many exemptions exist to the property tax including, business exemptions¹⁸, clergy exemptions¹⁹, disabilities and limited income exemptions²⁰, empire zone exemptions²¹, non-profit exemptions²², senior citizen exemptions²³, STAR exemptions²⁴, veterans exemptions²⁵ and capital improvements exemptions.²⁶

How can taxpayers challenge a tax assessment?

A taxpayer who is unhappy with his or her property assessment can send a complaint to the Department of Taxation and Assessment.²⁷ The Department's Board of Assessment Review then evaluates each complaint in a hearing.²⁸ The Board meets twice a year – in January and February.²⁹ The assessed value is tentative until the Board has a chance to review the assessment and determine its fairness.³⁰ It is not mandatory that taxpayers must attend these hearings in order to get a reduction in the assessed amount; they just need to send in their documentation to the Assessment and Taxation Department located in City Hall.³¹ In 2008, out of 1,126 assessment challenges, approximately 66% resulted in a reduction in assessment value.³²



How do you appeal a City of Buffalo tax assessment?

If a residential taxpayer is still not satisfied with the decision rendered by the Board of Assessment Review, he or she can appeal the decision. The taxpayer needs to file a petition for Small Claims Assessment Review (SCAR) which is available at the Erie County Clerk's Office located at Actions and Proceedings Room, First Floor, 92 Franklin Street, Buffalo, New York 14202, or online at www.orps.state.ny.us.³³ The process to appeal an assessment decision in a commercial property is very similar except that the review is done through a certiorari proceeding instead of through a SCAR hearing.³⁴

How often are properties assessed and why is this a problem in Buffalo?

State law requires that properties be reassessed at least once every six years, but it can be more often than this and usually is.³⁵ Many taxpayers are not happy with how often their properties are reassessed because even if the property tax rate does not increase, if the assessment value of a person's property increases, their property tax burden will also increase.³⁶ However, Tax Commissioner Martin F. Kennedy points out that sometimes people forget that when a property's assessment goes up, it also means that the property is now worth more.³⁷ He also indicated that it is important for taxpayers to know that a lot of analysis goes into making a determination of the value for an individual property.³⁸

What is the two-tiered tax system for condos?

Those wishing to purchase new condos in the City of Buffalo face the dilemma of the two-tiered tax system that exists under the New York Real Property Law Section 339-y.³⁹ Under the tax code, newly built condominiums are taxed at full market value, as opposed to condominiums built in a rehabbed apartment or existing buildings reconstructed into condo units, which are taxed as if they were apartments in an apartment building.⁴⁰ This huge difference in tax rates discourages

would-be new condo buyers from purchasing because they would automatically have to pay the higher tax rate.⁴¹ Compared to residential one to three family homes in the city, condos and commercial properties contribute a much larger portion of the City's property tax revenue.⁴² Tax Commissioner Kennedy feels that this system is "so unfair it is laughable," but that this is a New York State law and Buffalo must follow it.⁴³

How have other cities faced with the two-tiered tax system dealt with the problem?

The City of Rochester, New York faces the same two-tiered tax system problem as Buffalo. However, Rochester has created and implemented a program called Core Housing Owner Incentive Exemption (CHOICE) which offers tax exemptions for any new unit in which the owner lives that was newly constructed.⁴⁴ Rochester has a tax abatement whereby taxes on the newly constructed property are 90% abated for the first year, thereafter increasing by 10% each year until the full tax amount is reached.⁴⁵



Where can you find further information regarding property taxes in the City of Buffalo?

For more information, contact the City of Buffalo Assessment and Taxation Department at (716) 851-5733 or online at [http://www.ci.buffalo.ny.us/Home/City_Departments/Assessment and Taxation Department](http://www.ci.buffalo.ny.us/Home/City_Departments/Assessment_and_Taxation_Department).⁴⁶

¹ City of Buffalo's 2009-10 State Budget Requests - Byron W. Brown, Mayor *available at* http://www.ci.buffalo.ny.us/Home/2009-10_State_Budget_Requests

² <http://www.orps.state.ny.us/pamphlet/taxworks.htm>.

³ 2008-2009 Tax Rate Per M Evaluation *available at* [http://www.city-buffalo.com/Home/City_Departments/Assessment and Taxation Department/TaxRatePerMValuation](http://www.city-buffalo.com/Home/City_Departments/Assessment_and_Taxation_Department/TaxRatePerMValuation)

⁴ *Id.*

⁵ McKinney's Const. Art. 8, § 10(b)

⁶ Thomas, G. Scott, *New York Takes Tops Seven Property-Tax Rankings-Unfortunately*, *The Business Review*, August 1, 2003 *available at* <http://albany.bizjournals.com/albany/stories/2003/08/04/story4.html>

⁷ New York State Office of Real Property Services NYS ORPS Municipal Profile *available at*

http://www.orps.state.ny.us/cfapps/MuniPro/osc/oscAvrtaxlevy.cfm?fiscalyr_ending=2008

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⁸ New York State Office of Real Property Services NYS ORPS Municipal Profile
available at
http://www.orps.state.ny.us/cfapps/MuniPro/osc/oscAvrtaxlevy.cfm?fiscalyr_ending=2008

⁹ City of Buffalo Fiscal Year 2008-2009 Budget Overview.

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.*

¹³ *Id.*

¹⁴ *Id.*

¹⁵ <http://www.buffalonews.com/cityregion/story/362069.html>

¹⁶ City of Buffalo Fiscal Year 2008-2009 Budget Overview.

¹⁷ http://www.city-buffalo.com/Home/City_Departments/Assessment_and_Taxation_Department.

¹⁸ <http://www.orps.state.ny.us/assessor/manuals/vol4/part2/section4.06/sec485-b.htm>

¹⁹ <http://www.orps.state.ny.us/assessor/manuals/vol4/part1/section4.01/sec460.htm>

²⁰ <http://www.orps.state.ny.us/pamphlet/exempt/disable.htm>

²¹ <http://www.orps.state.ny.us/assessor/manuals/vol4/part2/section4.06/sec485-e.htm>

²² <http://www.orps.state.ny.us/assessor/manuals/vol4/part2/section4.05/sec420-a.htm>

²³ <http://www.orps.state.ny.us/pamphlet/exempt/senior.htm>

²⁴ <http://www.orps.state.ny.us/star/index.cfm>

²⁵ <http://www.orps.state.ny.us/pamphlet/exempt/vets.htm>

²⁶ http://www.city-buffalo.com/Home/City_Departments/Assessment_and_Taxation_Department

²⁷ http://www.city-buffalo.com/Home/City_Departments/Assessment_and_Taxation_Department

²⁸ *Id.*

²⁹ *Id.*

³⁰ <http://www.buffalonews.com/102/story/510785.html>

³¹ *Id.*

³² *Id.*

³³ http://www.city-buffalo.com/Home/City_Departments/Assessment_and_Taxation_Department/CityofBuffaloAppealProcessforAssessmentGrievanceDe

³⁴ Interview with Commissioner Martin F. Kennedy on 4/14/09

³⁵ <http://www.buffalonews.com/102/story/510785.html>

³⁶ *Id.*

³⁷ Interview with Commissioner Martin F. Kennedy on 4/14/09

³⁸ Interview with Commissioner Martin F. Kennedy on 4/14/09

³⁹ McKinney's Real Property Law § 339-y

⁴⁰ *Two-Tiered Tax Hampers Condo Development*, March 18 2009 *available at*
<http://www.buffalorising.com/2009/03/two-tier-tax-hampers-condo-development.html>.

⁴¹ *Id.*

⁴² *Id.*

⁴³ Interview with Commissioner Martin F. Kennedy on 4/14/09

⁴⁴ *Id.*

⁴⁵ *Id.*

⁴⁶http://www.ci.buffalo.ny.us/Home/City_Departments/Assessment_and_Taxation_Department

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