**Unit 8**

**Lecture Outline**

Learning Objectives

When the student has completed this unit, they will be able to accomplish the following.

* Explain how governmental “forces” (i.e., one of the four “forces” that impact value), especially property taxes, impacts market value of real property.
* Explain why frequently there is a difference between market and assessed values, why there is an equalization rate and how it is derived and applied, why there are assessment exemptions, whether full or partial, to what tax they apply and how to determine the true tax, and how PILOT programs and special property tax abatements or incentives affect market value of properties.
* Explain the need for research and discussion concerning the feasibility of consolidation of government services.

Key Terms

ad valorem taxes

aged exemption

appropriation

assessed value

assessment roll

assessments

equalization factor

full-value assessment

grievance

homestead

in rem

levy

market value

mill

nonhomestead

principle, interest, taxes, and insurance (PITI)

real property tax rates

statutory redemption period

taxable status date

tax certiorari

tax foreclosure

tax liens

tax sale

true tax

Lecture Outline

**I. PROPERTY TAX**

1. Tax liens
2. General tax (ad valorem tax)
3. Special assessments (improvement taxes)
4. Principle, interest, taxes, and insurance (PITI)

**II. THE TAXATION PROCESS**

1. Assessment
	1. Differences in assessments
	2. Undeclared improvements
	3. Reassessment and the sale of property
	4. Equalization
	5. Tax rates
2. Appropriation
	1. Tax bills
3. Exemptions
	1. Personal exemptions
	2. Elderly exemption
	3. Veterans exemption
	4. STAR program
	5. Cooperative/condominium abatement (New York City)
	6. Disabled crime victim and Good Samaritan exemption
	7. True tax
	8. Plot
4. Protesting assessments
5. Enforcement of tax liens
	1. County tax sales
	2. Village tax sales
6. PILOT programs, special property tax abatements, or incentives

**III. THE NEED FOR RESEARCH**

1. Gathering and interpreting market data
2. Feasibility of consolidation of government services

**IV. SUMMARY**