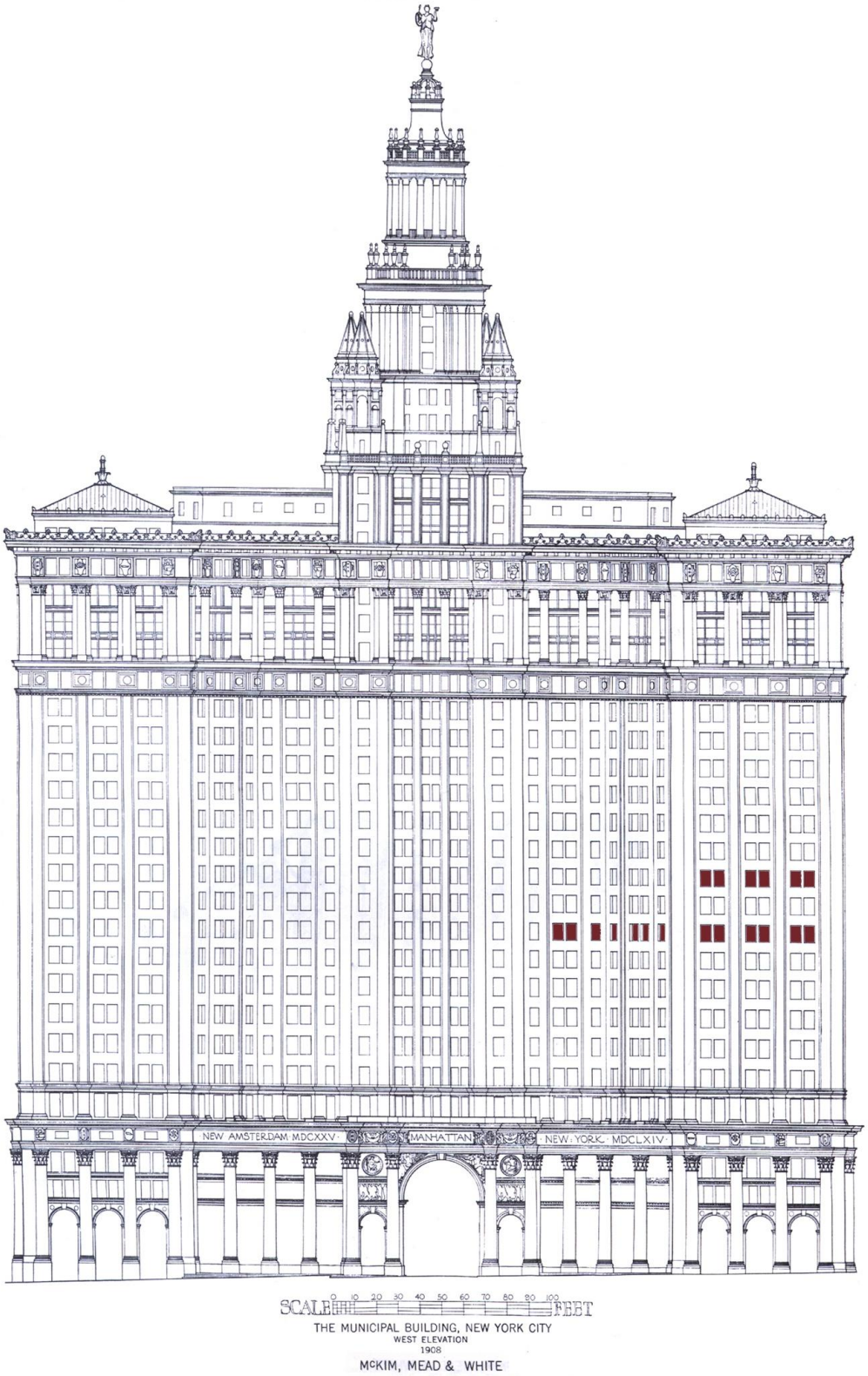
TAX COMMISSION
OF THE CITY OF NEW YORK



2010 ANNUAL REPORT

Glenn Newman
President

GLENN NEWMAN
President

THE CITY OF NEW YORK
TAX COMMISSION
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March 1, 2011

Honorable Michael R. Bloomberg
Mayor of the City of New York
City Hall
New York, New York 10007

Dear Mayor Bloomberg:

Pursuant to section 155 of the New York City Charter, I am pleased to submit the 2010 Annual Report of the Tax Commission.

The 2010 Annual Report contains information about the Tax Commission and its mission, functions, operations and resources, an overview of the agency's performance, and statistical profiles of its formal actions, during calendar year 2010. It also contains a statement of its accomplishments and improvements and a summary of plans for 2011.

The Tax Commission hears protests on about 47,030 real property tax assessment-related claims. In administering this process our commitment is to the highest standards of performance and integrity. We take great pride in striving to provide fair, efficient, productive and courteous delivery of service to the taxpayers and professional representatives pursuing administrative assessment review in connection with some 164,985 tax lots citywide each year.

Of course, I am available to respond to any questions or observations you may have concerning the Annual Report as well as the operations of the Tax Commission.

Respectfully yours,

Glenn Newman

GN/smm
Enclosure

GLENN NEWMAN
President

THE CITY OF NEW YORK
TAX COMMISSION
Municipal Building
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New York, NY 10007

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March 1, 2011

Honorable Christine Quinn
Speaker
The Council of the City of New York
City Hall
New York, New York 10007

Dear Speaker Quinn:

Pursuant to section 155 of the New York City Charter, I am pleased to submit the 2010 Annual Report of the Tax Commission.

The 2010 Annual Report contains information about the Tax Commission and its mission, functions, operations and resources; an overview of the agency's performance, and statistical profiles of its formal actions, during calendar year 2010; a recapitulation of its accomplishments and improvements; and a summary of plans for 2011.

If you have any questions, please call.

Respectfully yours,

Glenn Newman

GN/smm
Enclosure

MEMBERS OF THE TAX COMMISSION

Glenn Newman, President

Fadil Brija	Susan Grossman
Aladar G. Gyimesi	Alice D. Olick
Richard Stabile	Kirk P. Tzanides

MANAGERIAL STAFF

General Counsel ……...…… Vacant

Director of Operations ……..……. Myrna Hall

Director of Information Technology ……...…… Iftikhar Ahmad

Director of Appraisal & Hearings ……. Carlo Silvestri

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ORGANIZATION CHART

Introduction

Pursuant to Section 155 of the Charter of the City of New York, the Tax Commission's 2010 Annual Report is submitted to the Mayor and the City Council.

This report contains information about the Tax Commission and its mission, functions, operations and resources, an overview of the agency's performance and statistical profiles of its determinations during calendar year 2010. It also contains a statement of the Tax Commission's accomplishments and improvements and a summary of plans for 2011.

Mission & Functions

The Tax Commission is the City of New York's independent forum for administrative review of real property tax assessments set by the Department of Finance. Pursuant to the New York City Charter and Administrative Code, the Tax Commission's mission is to ensure determinations of real property tax assessment protests are fair and efficient in order to provide an effective administrative review process for City property tax assessments.

Annual assessments are the basis for the real property tax levy, the City's largest source of revenue. An "assessment" encompasses a tax lot's tax class designation, market value, and eligibility for full or partial exemption. The amount of a tax lot's assessment, or its "assessed value" (for tax lots where assessment increases are not limited by law), is based upon the property's market value to which the assessment ratio for the tax class is applied. The tax imposed on the tax lot for a fiscal year is the product of its taxable assessed value and the overall tax rate applicable to its designated tax class as adopted by the City Council.

Each January, as required by law, the Department of Finance sets and publishes tentative assessments for the more than one million tax lots in the City. The Finance Department also sends a notice of value to the owner (or designee) of each tax lot in connection with the property taxes to be levied for the City's next fiscal year (July 1 through June 30). In addition, as provided by law, the Finance Department promulgates assessment ratios for the four property tax classes. Each year the Department of Finance calculates individual assessments and the assessment ratio for each of the four tax classes in consideration of fluctuations in the real estate market, physical alterations and/or changes in taxable status.

Following publication of the final annual assessment roll by the Department of Finance on or about May 25th, the annual tax rates for the four property tax classes are set by the City Council in accordance with statutory formulae involving the aggregate assessments in each of the four tax classes citywide; the portion of the City's budget to be sustained by the total property tax levy; and the proportion of the total property tax levy to be borne by each of the four property tax classes.

State and local laws provide the right and the means for taxpayers to obtain administrative review of individual real property tax assessments. Tax rates are *not* subject to property-specific challenge. The claims in an application for correction of assessment that the Tax Commission may review are: 1) misclassification (that is, the property is assessed in the wrong tax class for its type and use, under the four-class system); 2) excessiveness (principally, the property fails to receive all or a portion of a partial tax exemption); 3) inequality (that is, the property's assessed value is set at a higher proportion of market value than that applied to all other properties in the same tax class); and 4) unlawfulness (principally, the property fails to receive a complete tax exemption).

The typical application filed with the Tax Commission seeks a reduction in the amount of the property's assessment based on a claim of inequality. A

challenge to the assessment ratio set and published by the Department of Finance for each of the four property tax classes would require extensive proceedings as provided in the Real Property Tax Law. Therefore, challenges to the assessed value for properties not subject to limitations on assessment increases (Tax Class 1 and Tax Classes 2A and 2B) are, for the almost all properties, a dispute over the fair market value as determined by the Department of Finance.

The accepted methodologies for valuing real estate look to sales of comparable properties, income generated by the property or the cost of reproducing the structure. Disputes over individual assessments are an inevitable feature of ad valorem property taxation, even in a well-administered system such as the City of New York's.

The Tax Commission is an accessible forum that expeditiously resolves assessment disputes, and orders remedial action where appropriate, in accordance with applicable law and appraisal concepts. The existence, mission and authority of the Tax Commission—as an administrative agency of the City of New York—are required pursuant to the New York State Real Property Tax Law and the New York City Charter and Administrative Code. The fair and effective operation of the Tax Commission in discharging its functions is an integral part of tax administration in the City.

In executing its core business of determining applications for correction of assessment, the Tax Commission also helps the City maintain the integrity of the property tax assessment rolls, the sound and equitable allocation of the property tax burden and promotes public confidence in government and the tax system.

A fair and efficient review process is essential to reducing costly litigation of assessment disputes. Appropriate action by the Tax Commission brings closure to many claims that might be further contested costing additional time and resources for taxpayers and the City. Moreover, taxpayers may be inclined to moderate their

demands when met with the genuine prospect of timely relief from the Tax Commission—in lieu of overpaying taxes for a number of years, while pursuing relief in an Article 7 proceeding defended by the Law Department subject to the approval of the Comptroller or expensive, risk-laden trial and related proceedings in court. Also, to the extent taxpayers obtain appropriate relief by the Tax Commission prior to publication of the final annual assessment roll in May, the City avoids refunding tax overpayments and the heavy administrative burdens entailed in issuing them, and instead may make relatively minor adjustments in setting the applicable tax rate to compensate for the aggregate assessment reductions in each tax class.

Another feature of the Tax Commission's operations—the longstanding practice of employing a standard "acceptance agreement" which requires the discontinuance of all pending judicial proceedings with respect to prior years when accepting an offer of reduction by the Tax Commission—benefits the City by eliminating thousands of pending Article 7 proceedings.

In sum, though it is a "small" agency in the context of staffing and expense budget allotments, the Tax Commission is an integral component of the New York City's tax administration system.

Historical Context

The Tax Commission was created by State legislation in 1857.

The Tax Commission at its inception supervised the agency responsible for setting property tax assessments, formerly known as the Tax Department and later the Real Property Assessment Department. In 1968, the Department of Finance assumed the assessing function as part of a reorganization of City government. Separation of assessment administration and formal assessment review functions

was completed in 1984, when original jurisdiction to determine applications for exemption was assigned to the Department of Finance. Since then, the Tax Commission has served exclusively as an independent administrative review body. In 2007, the City Council enacted a Charter revision putting both the Tax Appeals Tribunal (the agency charged with administrative review of non-property tax determinations) and the Tax Commission under the umbrella of the Office of Administrative Tax Appeals (L.L. 57 of 2007).

Structure & Resources

Pursuant to the New York City Charter, the Tax Commission proper consists of a President and six Commissioners appointed by the Mayor, with advice and consent of the Council, to staggered, six-year terms. The President, as the head of the agency, serves full-time, while the six Commissioners serve part-time. Each member of the Commission must have at least three years of business experience in real estate or real estate law. Additionally, the Commission must include at least one resident of each borough.

Like many City agencies, the Tax Commission strives to meet the challenge to do more with less—that is, maintain the essential features of the agency's operations, and make targeted improvements in productivity, efficiency and quality of customer service delivery, with fewer resources than in the past. In 2010, the second full budget year integrating the Tax Commission and the Tax Appeals Tribunal within the Office of Administrative Tax Appeals ("OATA"), OATA had a staff of 37 full-time employees plus 6 part-time Commissioners and an operating budget of just under 3.75 million dollars. The Tax Commission's structure and its managerial personnel are presented in the organization chart attached.

Administrative Review of Property Tax Assessment

Each year, upon the Department of Finance's publication of the tentative assessment roll on or about January 15, an owner of, or other party with legal standing in relation to, a property who believes it to be incorrectly assessed may seek review before the Tax Commission by filing an application for correction.

The Tax Commission designs and prints application forms each year for use in conducting the administrative review process. The applicant files the form(s), completed in accordance with printed instructions and signed before a notary public (for property in tax classes two, three and four) or with a certification (for property in tax class one), at the Tax Commission's offices in the Manhattan Municipal Building or at any of the Business Centers of the Department of Finance in each borough. The property's designated tax class and use, the amount of the assessment and the nature of the claim(s) govern the particular forms that must be filed. Financial statements for income-producing properties assessed at $1 million or more must, by law, be audited by a certified public accountant. In addition to affording applicants or their designated representatives the means to specify the nature and amount of claimed errors in assessments, the application forms are designed to elicit information and documents fundamental to the Tax Commission's proper determination of the claims at issue.

Application forms, instructions, and summaries of applicable procedures are published by the Tax Commission, and may be obtained in person at the Tax Commission's offices as well as the Department of Finance Business Centers. Forms are also available on the Tax Commission's web pages at http://nyc.gov/html/taxcomm; or sent by the Tax Commission upon request.

The filing deadline for applications for review of assessments of one, two and three-family homes and other properties designated by law as tax class one, is

March 15; the deadline for filing applications in relation to the assessments of all other properties is March 1. To be considered timely, an application must be received at the Tax Commission or a borough office of the Department of Finance by the applicable deadline. The agency has no authority to waive or extend the deadline. There was no filing or other user fee in 2010. In 2011, a fee of $175 will apply to properties with assessed values of $2 million or more that are scheduled for hearing.

All applicants who duly complete and sign the required application forms, and timely file same, receive substantive review of their claims by the Tax Commission, including a personal hearing if requested. The Tax Commission conducts hearings at its offices in Manhattan, as well as in the Bronx, Brooklyn, Queens and Staten Island borough offices located within the premises of the Department of Finance's Property Division. When a hearing is not requested, the application is determined on the papers submitted.

Pursuant to case law, the assessment set by the Department of Finance is presumed correct, and the burden is on the applicant first to offer substantial evidence to overcome the presumption, and then to prove by a preponderance of the evidence that the assessment should be reduced or otherwise corrected. To the extent the Tax Commission concludes an error has been proved, it offers a reduction, class change or exemption as appropriate. Though not required, in excess of 98% of applicants are represented by a lawyer or a non-attorney professional, with the exception of tax class one applicants, about half of whom appear on their own behalf. The Department of Finance is permitted to appear at hearings or may offer written submissions, in defense of assessments under review, but it generally elects to rely on the legal presumption that the published assessment is correct.

A personal hearing gives the taxpayer, attorney or other designated

representative an opportunity to present the application and otherwise advocate for the relief sought. A substantial majority of applicants request an in-person hearing. The duration of a hearing may be a few minutes in straightforward cases, up to an hour in some particularly complex or unique cases at the Tax Commission's discretion, but usually is concluded in under 15 minutes. While allowing flexibility where warranted, the agency's general policy is to allot up to 30 minutes per hearing—a reasonable time frame which both reflects the practical realities of the agency's mission, workload and resources and affords applicants or their representatives an opportunity to present their claims and evidence in support in a typical case.

Preparation for a hearing generally includes examination of the application, income and expense statement and noting salient facts and potential issues. At the applicant's request, the Tax Commission will entertain sworn oral testimony by the owner (or another person with relevant knowledge) in support of the claim. Tax Commission hearing officers are authorized by law to administer oaths and receive sworn testimony. Neither stenographic minutes nor recordings are made. The Tax Commission generates by computer a primary control document with pre-printed, property-specific information on which the hearing officer notes a summary of the argument presented and any testimony offered at the hearing, along with his/her own observations, analysis and determination. Formal rules of evidence do not apply. Any relevant information and documents presented are considered, along with any submissions from the Department of Finance and any facts of which the Tax Commission may take administrative notice.

Applications are reviewed, a hearing may be conducted, and a determination rendered on behalf of the Tax Commission by the President, one of the six part-time Commissioners, or, as designated by the President, Special Counsel or hearing officer in the Appraisal & Hearings Group's professional staff, or a New

York City Tax Appeals Tribunal Commissioner, Administrative Law Judge, or General Counsel.

In 2010, teams of two hearing officers including the President, Director, Deputy Director or a senior member of the Appraisal & Hearings Group together with another member of the Appraisal & Hearings Group heard cases involving properties with assessments at $55 million or more, and select cases presenting novel or difficult legal, policy or appraisal issues. In cases involving utility properties, upon request by the applicant the entire Tax Commission (i.e., the President and six part-time Commissioners) will convene and act on the application as provided by law. Utility applicants may also choose a hearing before and determination by the President of the Tax Commission working with a member of the Appraisal & Hearings group. Cases presenting exemption claims are heard and determined by attorneys in the Tax Commission or Tax Appeals Tribunal. The rest of the cases are assigned to hearing officers on a random basis.

The President sets policies and guidelines, and, with the assistance of the Director of the Appraisal & Hearings and agency attorneys, offers direction and critical input to hearing officers. Market research and monitoring are performed on an ongoing basis, and agency reference manuals are compiled and supplemented accordingly. Exterior and/or interior field inspections of subject properties are performed when deemed necessary for the proper evaluation of claims. The Tax Commission also reviews documents and articles regarding the real estate industry such as recent sales and leasing activity and maintains a history in its files of materials relevant to specific properties.

In the course of considering a claim made in an application eligible for substantive review in relation to a property's current-year assessment, the Tax Commission is also authorized by law to reconsider and act in relation to the assessment for the most recent preceding year, over the past five years, for which a

valid judicial review proceeding is pending.

In determining an assessment-related claim eligible for review on the merits, the Tax Commission may confirm the original assessment as set by the Department of Finance or offer remedial relief; it has no authority to increase the assessment.

The Tax Commission generally mails notice of its determination to the applicant or designated representative within 40 days after the hearing is conducted. In cases presented for review on papers, the review is done as soon as the files are complete.

An offer to reduce or otherwise adjust an assessment is implemented only if accepted by the applicant or authorized representative by duly executing and returning the Tax Commission's standard written agreement subject to the terms and conditions therein. The terms and conditions include a withdrawal of protests involving the parcel including any administrative or judicial protest and the discontinuance of all judicial proceedings pending with respect to assessments for prior years in which the current applicant has an interest. All offers are subject to review and approval by the President of the Tax Commission.

The Tax Commission also employs a quality control auditing process. Cases flagged as circumstances warrant, cases systematically identified under predetermined factors and a statistically significant number of other cases selected via stratified random sample, are subject to reexamination and the potential issuance of a revised determination.

In any case where an offer of remedial relief is made but not accepted, or, in conjunction with the quality control auditing process, the offer is withdrawn or an acceptance agreement revoked, the assessment at issue is then confirmed.

Tax Commission offers of remedial relief which are accepted by approximately May 21 appear as adjustments on the final annual assessment roll published by the Department of Finance on or about May 25, and thus can be

reflected on the corresponding tax bills subsequently mailed by the Department of Finance for the coming fiscal year. Offers of relief for current-year assessments accepted after the roll becomes final as well as all accepted offers of relief with respect to prior-year assessments under the Tax Commission's two-year jurisdiction are implemented by remission. In such cases, the Department of Finance recalculates the property's tax liability based on the assessment as corrected by the Tax Commission, and issues a refund or credit to the affected taxpayer for the overpayment.

Applicants may seek judicial review of assessments confirmed by the Tax Commission by filing a petition in the New York State Supreme Court in the appropriate county by October 24 and serving the petition on the Tax Commission. The State law does not require the Supreme Court to give any deference to the Tax Commission's administrative determination but rather, the court reviews the assessment de novo. An optional special small claims procedure ("SCARP") is available for owner-occupied one, two and three-family homes. The Tax Commission provides information on how to commence judicial review and small claims proceedings to all applicants.

In addition to accepting service of process, the Tax Commission maintains records of all judicial proceedings relating to property tax assessments from commencement to disposition. The City's Corporation Counsel represents the Department of Finance and the Tax Commission in court as the respondents named in these proceedings. The Tax Commission and the Tax and Bankruptcy Division of the New York City Law Department maintain ongoing communications to foster efficiency, fairness and to pursue the best interests of the City.

Operations & Performance

The Tax Commission's core function of ruling on annual applications for correction of assessment is a great responsibility and an integral part of the City's tax system. Application forms—along with associated instructions and informational summaries—issued by the Tax Commission for use in administering the formal administrative review process are revised annually. The number and variety of applications filed each year require a multitude of functions to be performed. These functions include: outreach to the public and information sessions on the application process, intake and stratified sorting of forms and documents; creating and maintaining case files and records; calendaring; allocating internal assignments; scheduling, preparing for and conducting hearings; performing legal, appraisal and factual research and analyses; rendering determinations; generating and mailing disposition notices; processing remedial relief, and communications with the Department of Finance and the Law Department; auditing; compiling and analyzing performance statistics; computer programming; clerical tasks; and responding to customer inquiries and requests under the Freedom of Information Law.

In 2010, the Tax Commission received 47,030 applications, covering 164,985 separately assessed tax lots, encompassing $133 billion in assessed value.

The Tax Commission conducted 20,178 substantive hearings in 2010. In exercising its two-year jurisdiction, the Tax Commission took remedial actions in 2010 that, in the aggregate, granted $4.5 billion in assessment reductions, yielding $401,053,570 in tax relief to aggrieved taxpayers. In conjunction with its disposition of applications protesting 2010 assessments, the Tax Commission also brought closure to 15,948 pending judicial review proceedings claiming errors in assessments for prior years totaling $47.8 billion. In the same year, the Law

Department disposed of approximately 1,331 judicial proceedings claiming errors in assessment totaling $3.17 billion (presumably the more intractable matters) by settlement. In recent years, the Courts, after trial, have issued judgments disposing of few proceedings; in 2010, there were 16 Article 7 petitions taken to trial and decided by the Courts (resolving $612.4 million in claimed errors). The Tax Commission's administrative review has been and continues to be the most effective means of resolving the pending judicial proceedings contesting hundreds of billions of dollars in assessments.

In addition, in 2010 several matters were referred by the Tax Commission and the Department of Investigation to the District Attorney for New York County concerning possible filing of false information. Investigations are ongoing with respect to those matters.

Planned or Implemented Improvements or Modifications

Over the past year, the Tax Commission continued the integration the New York City Tax Appeals Tribunal into the process of hearing Tax Commission cases. This enabled the Tax Commission to include fewer cases on its daily hearing calendars and thereby provide closer attention to the cases heard.

The Tax Commission continued to expand its use of technology for information gathering and has found a wealth of material on the Internet. Property sales prices, as well as income and expense data, have been found and used in determining property values. In addition, members of the Appraisal & Hearings Group continue to perform inspections and field visits to enhance their knowledge of neighborhoods and the use of specific properties. The Tax Commission has used digital cameras to enhance its ability to record and exchange information on physical changes and descriptions of properties.

The Tax Commission together with the Law Department, the Office of Court Administration, and the Real Estate Tax Review Bar Association worked to establish a program for electronic filing of Article 7 petitions in Supreme Court, New York County and expand the program to cover the other four counties in the City. This provided a highly efficient system for filing and tracking more than 35,000 Article 7 petitions commenced in 2010.

The Tax Commission continued its emphasis on the efficient delivery of service to applicants in 2010 by:

- Promulgating a rule to impose a fee of $175 for hearings on properties having an assessed value of $2 million or more. The fee will provide a reliable source of revenue to reduce the need for significant reductions in operating costs tat the agency has absorbed over the past several years and allow enhanced technology to make the appeals process more efficient.
- Continuing integration of the Tax Appeals Tribunal and the Tax Commission into the Office of Administrative Tax Appeals and improve the two entities that hear all administrative tax appeals of the City's property and non-property taxes.
- In cooperation with representatives, allowing additional time before hearings commenced for representatives to screen their cases and decline hearings on those matters for which merits review as not requested. This resulted in fewer cases being scheduled for hearing and allowed hearing officers to focus on those cases requiring their attention.
- In response to requests by the Department of Finance and representatives of taxpayers, holding hearings on certain condominium properties earlier in the season so that determinations can be made and assessments corrected prior to the issuance of the first real property tax bill. This reduced the substantial time and effort of the Department of Finance, representatives and taxpayers required in

issuing refunds to individual condominium unit owners.

- Maintaining the dialogue with various professional and industry organizations on the practices, procedures and policies employed in administering the annual assessment review process.
- Speaking at programs and events hosted by professional, industry and community organizations.
- Initiating a series of 'self-help' programs at which taxpayers' filing applications on their own behalf could receive information and guidance in advance of their scheduled hearings.
- Offering an opportunity for a hearing on papers for self-represented applicants to obtain a determination could be made in time for any adjustment to be made on the first property tax bill.
- Providing the opportunity for taxpayers to have hearings outside the Tax Commission's offices in Manhattan, i.e., in the Bronx, Brooklyn, Queens and Staten Island borough offices of the Tax Commission located within the Department of Finance's Property Division offices. All applicants appearing on their own behalf were able to opt for a hearing in the borough in which they resided *or* the subject property was located. Applicants and representatives could request that a hearing be held at the Tax Commission's offices in Manhattan, irrespective of the property's location or applicant's residence.
- The Tax Commission conducted a briefing on policies and practices for representatives who regularly appear at the agency before the deadline for filing applications to inform them of the impact of the agency's rules of practice, other changes to be introduced in 2010, and the agency's requirements of professional conduct and integrity, and to help representatives avoid common mistakes that deny their clients' applications consideration on the merits of their claims for

correction of the assessments at issue. About 150 people attended the briefing on January 21, 2010, including representatives filing most of the applications received in 2009.

- The Tax Commission created a database of representatives in order to track compliance with the recently adopted Rules of Practice.

In 2011, Tax Commission plans include:

- Continuing to plan and pursue funding for a paperless application process and continuing to explore the feasibility and efficacy of acquiring and deploying electronic filing technology for income and expense forms to enhance agency operations and to improve coordination with the Department of Finance.
- Continuing to refine a system to enforce the standards of professional integrity in proceedings before the Tax Commission in the recently adopted rules of practice published in Title 21 of the Rules of the City of New York.
- Continuing to work with the agency's landlord, the Department of Citywide Administrative Services (DCAS), to remedy the poor conditions of the existing space and exploring the possibility that facilities for both the Tax Commission and Tax Appeals Tribunal will be consolidated on the 24th floor of the Municipal Building. This is in furtherance of the Mayor's initiative for strategic property alignment and citywide efficiency. This would provide appropriate reception and hearing space for the public and proper facilities for the staff. It is vital to the agency and to the ongoing efforts on access to administrative justice that the project is completed expeditiously in order to maximize the benefits of the proposed on-line filing and to achieve a paperless appeals process.
- Exploring an even more effective means of outreach and information briefings for taxpayers and staff of public officials interested in learning more about the assessment system and protest process and to provide additional

information for those coming before the Tax Commission.

- Continuing the improvement of the agency's computer systems that are integrated with the Department of Finance's mainframe systems and exploring the use of CAMA-2 the Finance Department's valuation tool.
- Continuing to improve the quality and the efficiency of the annual assessment review hearings and determinations and expand quality control procedures to protect against potential corruption and ensure consistency and accuracy of determinations.
- Continuing to work with law enforcement agencies to refer cases of suspected fraud for investigation and prosecution.
- Applying the resources available to maximize the number of determinations made and conveyed prior to publication of the corresponding final annual assessment roll including early hearings for certain condominium properties.
- Expanding the information gathering efforts of the Appraisal & Hearings Group in order to ensure the most current and reliable information is available to value properties.
- Continuing to participate in the City's "311" telephone system to greatly reduce the substantial amount of staff time spent responding to misdirected inquiries regarding federal, state and local business taxes so that the Tax Commission can focus on answering the public's inquiries on the assessment protest process.
- Continuing the updating and upgrading the agency's computer software and hardware to improve technological functions and further enhance efficiency, productivity and customer service.
- Affording managerial and support personnel the opportunity to attend educational seminars to enhance their work-related capabilities.

PROCEDURAL DELINEATION OF 2010 ASSESSMENT REVIEW APPLICATIONS

	APPLICATIONS	TAX LOTS
NOT ELIGIBLE FOR REVIEW	**9,413**	**20,359**
LATE FILING	107	105
INCOMPLETE FILING	877	6,905
NOT EXECUTED BY PARTY WITH KNOWLEDGE / OTHER LEGALLY FATAL DEFECTS IN EXECUTION	121	121
MOOT (Assessment was already more favorable than applicant's claimed assessment, or Department of Finance resolved the claim before Tax Commission consideration)	63	84
APPLICANT'S STANDING TO PROTEST NOT ESTABLISHED	15	15
REQUIRED DEPT. OF FINANCE INCOME AND EXPENSE STATEMENT ("RPIE") NOT FILED, LATE OR IMPROPER	1,747	1,763
REQUIRED TAX COMMISSION INCOME AND EXPENSE FORM ("TCIE") NOT FILED, LATE OR IMPROPER	5,963	11,027
UNRESOLVED MULTIPLE APPLICATIONS FOR SAME TAX LOT	71	206
UNEXCUSED NON-APPEARANCE BY APPLICANT OR REPRESENTATIVE AT SCHEDULED HEARING	96	96
WITHDRAWN BY APPLICANT	353	37
ELIGIBLE FOR REVIEW	**37,617**	**144,626**
HEARINGS CONDUCTED IN PERSON	18,410	99,340
HEARINGS CONDUCTED BY TELEPHONE	27	27
REQUIRED FACTUAL SUBSTANTIATION NOT SUBMITTED AT HEARING	898	1,432
SUBSTANTIVE CLAIMS NOT PURSUED	17,439	41,472
AS SUBMITTED – REVIEWED ON PAPERS / PERSONAL HEARING NOT REQUESTED	843	2,355
TOTAL	**47,030**	**164,985**

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2010 ASSESSMENT REVIEW APPLICATIONS AND OUTCOMES

APPLICATIONS				ASSESSMENT REDUCTION OFFERS			ACCEPTED ASSESSMENT REDUCTION OFFERS		
REAL PROPERTY DESIGNATION	COUNT	TAX LOTS COVERED	COLLECTIVE AMOUNT OF ASSESSMENTS	APPLICATIONS RECEIVING	TAX LOTS COVERED	COLLECTIVE AMOUNT	APPLICATIONS	TAX LOTS COVERED	COLLECTIVE AMOUNT
TAX CLASS 1	1,704	4,087	$159,579,235	285	288	$2,188,742	241	244	$1,939,258
TAX CLASS 2	23,125	129,909	$53,716,950,269	3,165	29,248	$1,203,244,161	2,526	24,771	$981,695,152
TAX CLASS 3	97	97	$2,679,566,715	5	5	$49,330,205	5	5	$49,330,205
TAX CLASS 4	22,104	30,892	$76,494,783,899	3,695	5,818	$2,498,836,611	3,169	4,300	$2,266,137,244
TOTAL	**47,030**	**164,985**	**$133,050,880,118**	**7,150**	**35,359**	**$3,753,599,719**	**5,941**	**29,320**	**$3,299,101,859**

NEW YORK CITY TAX COMMISSION 2010 ANNUAL REPORT

2010 ASSESSMENT REVIEW APPLICATIONS AND OUTCOMES – BY BOROUGH

APPLICATIONS				ASSESSMENT REDUCTION OFFERS			ACCEPTED ASSESSMENT REDUCTION OFFERS		
BOROUGH	COUNT	TAX LOTS COVERED	COLLECTIVE AMOUNT OF ASSESSMENTS	APPLICATIONS RECEIVING	TAX LOTS COVERED	COLLECTIVE AMOUNT	APPLICATIONS	TAX LOTS COVERED	COLLECTIVE AMOUNT
BRONX	5,578	6,832	$4,701,653,754	528	630	$80,020,278	443	446	$71,959,457
BROOKLYN	10,672	21,760	$9,617,377,876	1,371	2,392	$305,788,597	1,169	1,752	$260,544,183
MANHATTAN	19,942	108,047	$104,997,946,542	3,809	30,060	$3,016,427,234	3,066	25,384	$2,650,435,070
QUEENS	9,438	24,615	$12,330,100,044	1,199	1,935	$239,605,549	1,041	1,417	$209,563,331
STATEN ISLAND	1,400	3,731	$1,403,801,902	243	342	$111,758,061	222	321	$106,599,818
TOTAL	**47,030**	**164,985**	**$133,050,880,118**	**7,150**	**35,359**	**$3,753,599,719**	**5,941**	**29,320**	**$3,299,101,859**

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2010 ASSESSMENT REVIEW APPLICATIONS AND OUTCOMES – BY PROPERTY TYPE

APPLICATIONS				ASSESSMENT REDUCTION OFFERS			ACCEPTED ASSESSMENT REDUCTION OFFERS		
REAL PROPERTY DESIGNATION	COUNT	TAX LOTS COVERED	COLLECTIVE AMOUNT OF ASSESSMENTS	APPLICATIONS RECEIVING	TAX LOTS COVERED	COLLECTIVE AMOUNT	APPLICATIONS	TAX LOTS COVERED	COLLECTIVE AMOUNT
TAX CLASS 1	**1,704**	**4,087**	**$159,579,235**	**285**	**288**	**$2,188,742**	**241**	**244**	**$1,939,258**
CONDOMINIUMS	79	2,463	$35,414,150	27	30	$702,622	18	21	$662,219
1, 2 & 3 FAMILY	1,159	1,158	$77,883,381	229	229	$1,083,878	199	199	$924,437
VACANT LAND	254	254	$26,628,405	8	8	$215,149	8	8	$215,149
OTHER	212	212	$19,653,299	21	21	$187,093	16	16	$137,453
TAX CLASS 2	**23,125**	**129,909**	**$53,716,950,269**	**3,165**	**29,248**	**$1,203,244,161**	**2,526**	**24,771**	**$981,695,152**
CONDOMINIUMS	1,712	108,539	$12,191,427,187	398	26,481	$336,146,818	323	22,568	$289,082,584
2 - 10 FAMILY	3,286	3,283	$1,149,975,043	389	389	$18,295,160	346	346	$16,639,693
COOPERATIVES	4,050	4,037	$16,428,931,763	1,011	1,011	$454,645,079	793	793	$382,723,259
RENTAL APTS	14,077	14,050	$23,946,616,276	1,367	1,367	$394,157,104	1,064	1,064	$293,249,616
TAX CLASS 3	**97**	**97**	**$2,679,566,715**	**5**	**5**	**$49,330,205**	**5**	**5**	**$49,330,205**
UTILITY PROPERTY	97	97	$2,679,566,715	5	5	$49,330,205	5	5	$49,330,205
TAX CLASS 4	**22,104**	**30,892**	**$76,494,783,899**	**3,695**	**5,818**	**$2,498,836,611**	**3,169**	**4,300**	**$2,266,137,244**
CONDOMINIUMS	1,820	10,854	$11,343,671,245	333	2,456	$725,259,609	271	1,402	$690,381,749
OFFICES/LOFTS	3,986	3,948	$41,385,147,072	594	594	$524,623,867	480	480	$427,235,717
STORES	7,231	7,114	$8,525,170,212	1,158	1,158	$241,881,962	1,004	1,004	$213,309,266
INDUSTRIAL	3,415	3,402	$2,683,408,639	633	633	$93,567,994	554	554	$83,664,394
HOTELS	513	509	$6,184,406,939	188	188	$619,444,803	171	171	$579,382,803
VACANT LAND	1,127	1,117	$793,356,258	200	200	$119,377,033	166	166	$115,294,192
UTILITY PROPERTY	97	97	$2,082,578,321	14	14	$47,437,735	14	14	$47,437,735
OTHER	3,915	3,851	$3,497,045,213	575	575	$127,243,608	509	509	$109,431,388
TOTAL	**47,030**	**164,985**	**$133,050,880,118**	**7,150**	**35,359**	**$3,753,599,719**	**5,941**	**29,320**	**$3,299,101,859**

2010 ASSESSMENT REVIEW APPLICATIONS AND OUTCOMES – BY REDUCTION RANGE

ASSESSMENT REDUCTION OFFERS				ACCEPTED ASSESSMENT REDUCTION OFFERS		
RANGE OF OFFER AMOUNTS	APPLICATIONS RECEIVING	TAX LOTS COVERED	COLLECTIVE AMOUNT	APPLICATIONS	TAX LOTS COVERED	COLLECTIVE AMOUNT
UNDER $50,000	2,331	2,645	$55,613,048	1,959	2,205	$47,039,668
$50,000 - $249,999	2,767	5,716	$330,675,837	2,277	4,463	$273,764,112
$250,000 AND OVER	2,052	26,998	$3,367,310,834	1,705	22,652	$2,978,298,079
TOTAL	**7,150**	**35,359**	**$3,753,599,719**	**5,941**	**29,320**	**$3,299,101,859**

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2010 EXEMPTION CLAIMS & OUTCOMES	APPLICATIONS FILED	TAX LOTS COVERED	COLLECTIVE ASSESSMENT AMOUNT
EXEMPTION CLAIMS	225	225	$106,260,975
EXEMPTION CLAIMS GRANTED	29	29	$9,062,691
FULL EXEMPTIONS GRANTED	0	0	$0
PARTIAL EXEMPTIONS GRANTED	29	29	$9,062,691

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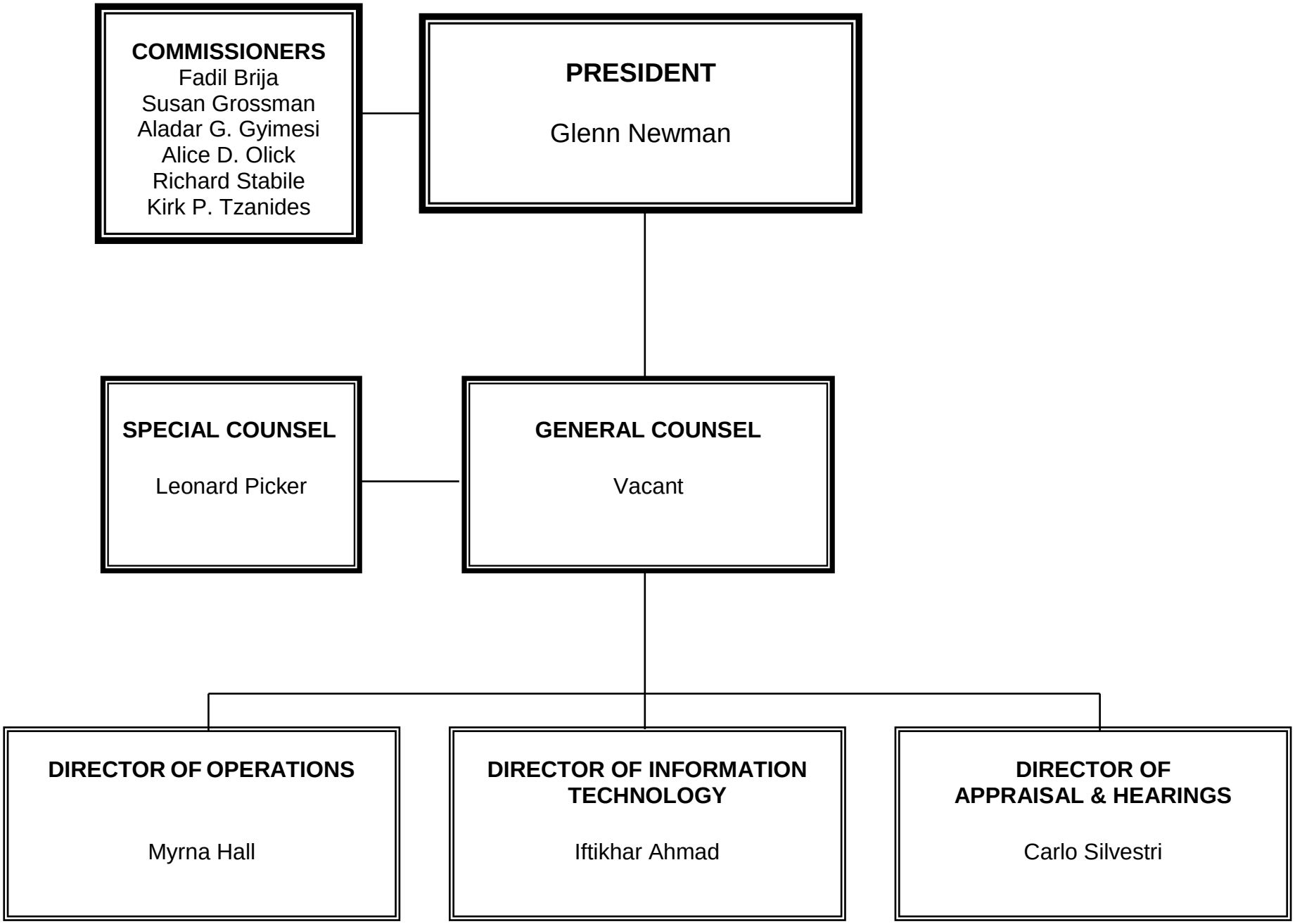
2010 CHANGE OF PROPERTY TAX CLASS DESIGNATION CLAIMS & OUTCOMES	APPLICATIONS FILED	TAX LOTS COVERED
MISCLASSIFICATION CLAIMS	228	358
MISCLASSIFICATION CLAIMS GRANTED	8	8

REMEDIAL ACTIONS BY TAX COMMISSION IN 2010 FOR 2009 ASSESSMENTS COVERED BY PENDING JUDICIAL REVIEW PROCEEDINGS, PER TWO – YEAR JURISDICTION

PENDING JUDICIAL REVIEW PROCEEDINGS FOR 2009 ASSESSMENTS		OFFERS TO REDUCE 2009 ASSESSMENTS			2009 JUDICIAL REVIEW PROCEEDINGS DISCONTINUED IN CONJUNCTION WITH ACCEPTED OFFERS TO REDUCE 2009 ASSESSMENTS		
COUNT	COLLECTIVE AMOUNT OF ASSESSMENTS	COUNT	COLLECTIVE AMOUNT OF ASSESSMENTS AT ISSUE	COLLECTIVE AMOUNT OF ASSESSMENT REDUCTION OFFERS	COUNT	COLLECTIVE AMOUNT OF ASSESSMENTS NO LONGER AT ISSUE	COLLECTIVE AMOUNT OF ACCEPTED ASSESSMENT REDUCTION OFFERS
33,338	$88,528,590,250	2,568	$14,607,748,930	$1,390,175,222	2,233	$11,866,404,707	$1,231,768,369

THE TAX COMMISSION OF THE CITY OF NEW YORK 2010



CITY OF NEW YORK
Michael R. Bloomberg
Mayor

TAX COMMISSION
Glenn Newman
President