

**City Council Committee on Finance
Hearing on the Department of Finance
FY 2024 Executive Budget**

Testimony of
Commissioner Preston Niblack
May 23, 2023

Good afternoon, Chair Brannan, members of the Finance Committee, and members of the City Council.

My name is Preston Niblack, and I am the commissioner of the New York City Department of Finance.

Thank you for the opportunity to testify today.

I'm joined by the Department of Finance's first deputy commissioner, Jeffrey Shear, and our chief financial officer and deputy commissioner for administration, Jacqueline James.

Jackie and Jeff are key members of our leadership team, and I am grateful for their presence and support today.

And speaking of our leadership team, I'd like to begin by sharing some happy news from DOF.

Two longtime agency leaders have been promoted to new roles in which we will continue to benefit from their wisdom and experience.

Annette Hill has assumed the title of Deputy Commissioner for Customer Operations, overseeing our borough business centers, parking ticket adjudications, the Land Records Office, and our Collections Division.

Leslie Zimmerman has assumed responsibility for treasury and banking operations, Citywide Payment Services and Standards, and payment, billing, and refund operations, as Deputy Commissioner for Treasury and Payment Services.

Both of these divisions will report directly to me.

Annette and Leslie are true public servants, with decades of experience, and I wanted to take this opportunity to congratulate them on this new chapter in their distinguished careers.

The focus of my testimony today will be updating you on important Council priorities, highlighting new developments since I last appeared before the committee in March, and speaking briefly about the Department of Finance's plans for the coming fiscal year.

First, we have a few updates to the customer service initiatives and benefit programs that I know are important to you and your constituents.

We continue to advocate at the state level for our proposal to simplify eligibility for the Rent Freeze Program and the Senior and Disabled Homeowner Exemptions. We would like to see the legislation pass before the end of the current session. This proposal would make up to 20,000 more households eligible for benefits while making the application process significantly easier.

Unfortunately, without this important change, the language modifying these programs in the state budget will result in a more complex application process and a reduction or loss of benefits for up to 3,000 current recipients.

As we work with the state legislature to help New Yorkers access and retain the benefits they're entitled to, we are also continually improving the services we provide across our agency.

Our current efforts include giving customers the ability to easily look up the status of their benefit applications online, which is one of the most common inquiries we receive. An online application lookup function is already available for the Rent Freeze Program for initial applicants, and we expect to launch it for Rent Freeze renewals and the Senior Citizen and Disabled Homeowner Exemptions by the end of the calendar year.

We have also introduced a new online appointment scheduling feature for customers visiting our Tax Map Office. This ensures that property owners looking to merge or apportion tax lots can receive prompt in-person assistance to navigate the process.

And finally, we are excited to announce that applications for the first year of the mayor's childcare property tax abatement have been received. We are still in the process of reviewing applications, but already we have approved applications that will add almost 1,800 seats across the city. We are hopeful that we will have additional success as we launch the childcare business tax credit applications this fall and continue to build on this signature initiative.

Turning now to other key priorities: ensuring that New Yorkers have access to parking near their homes; providing efficient and fair adjudication of tickets; and addressing illicit and obscured license plates. We are engaged in several efforts to strengthen our enforcement tools and increase compliance in these areas.

At the state level, DOF continues to advocate for a Parking Ticket Reform Package that would strengthen our enforcement tools. This includes giving traffic agents and police officers the ability to issue parking summonses against cars with missing or obscured plates by using the cars' vehicle ID numbers. In addition, improved enforcement against commercial vehicles parked overnight in residential areas will improve residents' quality of life by protecting their ability to park near their homes.

We look forward to working with the Council, the Law Department, the Department of Transportation, and the NYPD on local legislation that will improve our enforcement capabilities against illegal license plates. We will be seeking to increase fines and penalties for the use or sale of concealed or illicit plates. Stronger enforcement in this area would protect New Yorkers from drivers who currently use unidentifiable plates to get away with unsafe driving practices.

Additionally, before we leave the subject of parking tickets, I would like to update you on the continued success of our new “self-serve” online parking ticket payment plan enrollment option. Since its debut in early February, approximately 17,000 customers have enrolled in payment plans online and made down payments of \$3.2 million for violations totaling \$17.7 million.

With more time to pay, vehicle owners can avoid booting or towing. In addition to helping customers, this allows DOF to focus enforcement efforts on chronic scofflaws.

As you know, the mayor is pursuing every option to address the proliferation of smoke shops selling unlicensed products across the city.

This effort is being led by the Sheriff’s Office, with key support from our Tax Audit and Enforcement and Legal Affairs divisions and with the participation of other agencies, including the State Office of Cannabis Management, the NYPD, the Office of Special Enforcement, and the Department of Consumer and Worker Protection. This partnership, known as the Joint Compliance Task Force, has conducted 270 inspections since last November, resulting in the seizure of illegal tobacco and cannabis products valued at over \$14 million.

Finally, we are working with the Department of Taxation and Finance, our state counterpart, and the Office of Cannabis Management to take advantage of the recently enacted amendments to the Marijuana Regulation and Taxation Act and strengthen our ability to ensure that the cannabis industry operates safely and legally in New York City.

I’ll move now to an overview of the Department of Finance’s budget for fiscal year 2024.

DOF’s proposed budget is \$340.7 million. That includes \$180.9 million in personal services funds to support an authorized headcount of 1,878 full-time staff, and \$159.8 million for other than personal services.

As the Council is aware, the City continues to pursue necessary gap-closing measures, and our agency has done its part by finding ways to encourage compliance and protect revenues.

This includes our proposal to expand the Sheriff Road Unit. Vehicles in the Sheriff Road Unit are outfitted with license plate reader technology used to enforce unpaid commercial motor vehicle taxes. The license plate reader technology also allows DOF to identify vehicles that evade our booting operations because, for example, they may be parked outside the city overnight.

We are also working to ensure that the Cooperative and Condominium Property Tax Abatement is provided only to the intended beneficiaries of the program: resident owners. Last year we conducted a pilot program that resulted in the identification and removal of 4,500 abatements, worth \$8 million annually, from property owners who were not using their condo or co-op apartment as their primary residence, as required by law. We plan to continue and extend that effort in the coming year.

By constantly working to improve compliance and ensure that the programs we administer are targeted to their intended participants, we protect the revenues that enable all of the City's services and programs.

Finally, I want to highlight our continual focus on improving customer service to make sure that paying taxes, fees, and fines is as convenient and accessible as possible.

We are pursuing every opportunity, large and small, to improve our customer service. This includes working to automatically include customer data when calls are transferred from 311 to the Land Records call center. We have already applied this approach with personal exemptions, Rent Freeze, and business tax calls from 311 and it has improved customer service operations and outcomes.

Other improvements include:

- Returning to in-person outreach events across the city.
- Launching digital signature capability for our SmartFile applications for property tax payment plans and the PT-AID program to reduce the burden on customers of printing and scanning documents back to our staff.
- Adding scanners at all of our Property Exemption Administration customer intake desks to assist customers faster, in person.

We have also redesigned the property tax statement of account so that customers can more easily understand their bills. This includes the usage of color and design elements that call attention to the most important information customers need to know—specifically how much they owe, how those charges were calculated, and how to pay. Most customers will receive the new version of the statement of account for their property taxes due on July 1, and additional property owners will receive it in future billing cycles. I've included examples of the original and redesigned statements of account with my written testimony.

And finally, by the end of the year we will introduce a new hearing-by-video option for customers who wish to dispute parking tickets, adding to the existing options, including online, via the Pay-or-Dispute mobile app, in person, or by mail. We will share additional information when it is available.

In closing, I'd just like to reiterate how grateful we are for the support and partnership of this council.

As you can see, the coming year will be quite busy and productive for the Department of Finance, and we look forward to your support in ensuring the success of the initiatives I've mentioned today, plus the many others underway throughout our agency.

Thank you for the opportunity to testify, and I would be happy to answer any questions.