

NYC Department of Finance

Annual Report on Environmental Control Board (ECB)-Adjudicated Judgments

November 2025

Introduction

Under Local Law 11 of 2015, the New York City Department of Finance (DOF) is required to report to the City Council annually, by November 1, on outstanding Environmental Control Board (ECB)-adjudicated judgments. The Environmental Control Board, pursuant to NYC Charter Section 1049a, conducts proceedings for the adjudication of violations and is operated by the Office of Administrative Trials and Hearings (OATH). These cases involve summonses that are issued by 13 separate City enforcement agencies responsible for protecting the public's health and safety.

Respondents incur ECB judgment debt when the agencies issue notices of violation for non-payment. Respondents are required to attend a hearing at the Environmental Control Board. If a respondent attends the hearing and the hearing officer renders a decision that the respondent owes the fine, this becomes the judgment amount. If a respondent fails to attend the hearing, a default penalty is imposed, and the judgment may increase. The violation is filed as a court judgment and certain judgments are referred to DOF for collection. DOF first attempts to collect this debt in-house, using its own staff. If its in-house efforts are not successful, DOF then engages city marshals, the Sheriff's Office, and outside collection agencies.

This report focuses on judgment debt referred to DOF in FY25.

Summary

Highlights of the enclosed report include:

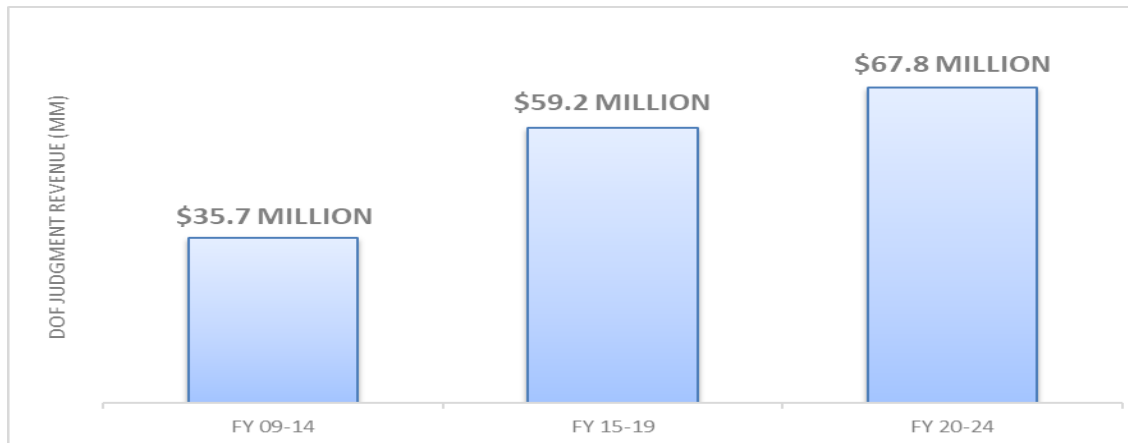
- ECB collections for FY25 totaled \$68.9 million. This represented an increase from the \$66.1 million collected in FY24. The slight growth in revenue was driven by continued collaboration with other agencies on enforcement and collections, expanded access to self-service payment plans, and ongoing implementation of special collection initiatives. The total amount of DOF judgment collections in FY25 was 2% higher than the FY20 to FY24 average of \$67.8 million, and 16% higher than the FY15 to FY19 average of \$59.2 million.
- The performance of its three collection agencies helped DOF sustain the level of revenue collection of previous years. Revenue collected by the collection agencies accounted for 40% of all revenue collected in FY25. ECB judgment revenue from the three collection agencies increased 8%, from \$25.9 million in FY24 to \$27.9 million in FY25.
- The total value of outstanding ECB debt, after excluding the allowance for bad debt, decreased from \$619 million to \$573 million (7.4%). DOF refers ECB judgments to three successive collection agencies before placing uncollected judgments into an allowance for bad debt. DOF's allowance for bad debt increased 11%, from \$670 million in FY24 to \$744 million in FY25. ECB judgments are not classified as bad debt until they have completed the three successive six-month assignments. Upon return from the third collection agency, these debts are classified as bad debt, provided that they meet other "allowance for bad debt" criteria.
- DOF expects to generate revenue close to \$70 million in FY26, resulting from the continuance of existing collection initiatives and an expected increase in the amount and

volume of Department of Buildings-issued ECB judgments to be referred to DOF in early FY26.

- DOF successfully launched a new collections system late in the second half of FY24. The new system allowed DOF to make significant improvements in operational efficiency and service delivery, including debt management and automation, self-service payment plans via e-Services, communication and report enhancements, and database and system integration.
- The Department of Finance works with other City agencies to collect judgment debt by suspending permits and licenses and offsetting the debt on vendor payments.
- DOF continues to improve in-house collection efforts.
 - DOF has implemented and will continue to expand outreach communications to provide timely notification to businesses and individuals who have outstanding ECB judgment debt.
 - DOF continues to convert some DOB-issued ECB judgments into property liens as authorized by the NYC Administrative Code. In FY25, DOF converted 1,108 violations totaling \$9.1 million to property liens. DOF also received \$4.5 million in payments, up from \$2.2 million in FY24, from owners who were notified about the lien conversions. DOF included the eligible converted DOB tax liens in the 2025 tax lien sale.
 - DOF applied data analytics and debt segmentation methodologies to help assign and prioritize ECB judgment debt for various collection efforts.

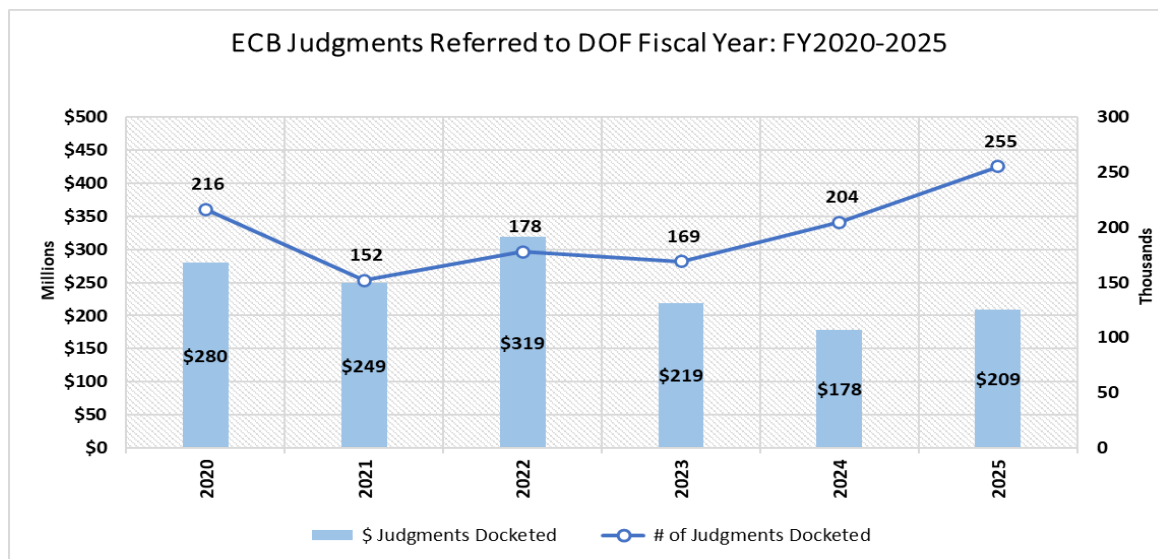
FY25 Overview

- The Department of Finance’s FY25 ECB judgment collection efforts were successful in terms of both overall revenue collected and first-year collection rate. The introduction of the new collections system and self-service payment plan via the new customer portal, the continuation of special programs, the implementation of new initiatives, and collection efforts by the three collection agencies enabled DOF to collect \$68.9 million in FY25. The first-year collection rate of 16.5% in FY25 was second only to the rate of 17% in FY23, and higher than the average from FY20 to FY24 (14.7%).
- FY25 ECB judgment revenue of \$68.9 million was \$1.1 million (1.6%) higher than the average \$67.8 million from FY20 through FY24; \$9.7 million (16.4%) higher than the average \$59.2 million collected from FY15 through FY19; and \$33.2 million (93%) higher than the average of \$35.7 million collected from FY09 through FY14. All revenue totals from previous fiscal years are net of the contribution by amnesty programs.

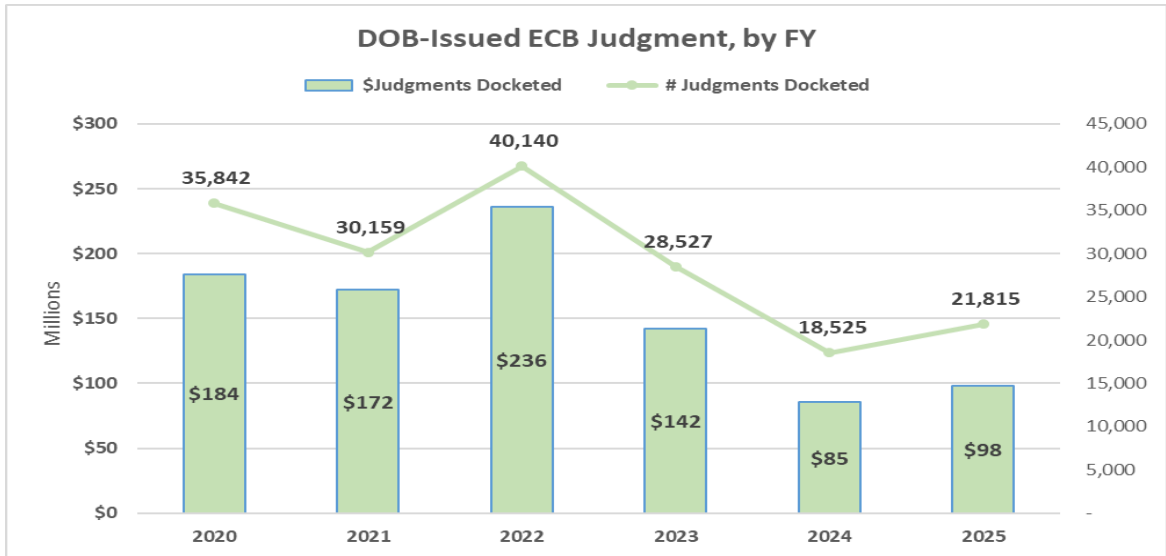


- Total execution issuance in FY25 (1,962) was slightly above the average pre-pandemic level of 1,800. Total revenue collected in FY25 (\$6.2 million) was 10% lower than in FY24 (\$6.9 million), but still 19% higher than the average from FY19 to FY23 (\$5.2 million).
- At the close of FY25, the total value of outstanding ECB judgment debt, after excluding the allowance for bad debt, was \$573 million, down 7.4% from \$619 million at the close of FY24.
 - The allowance for bad debt reflects the fact that in many instances DOF is unable to collect from individuals and businesses because they have passed away, gone out of business, filed for bankruptcy, moved out of the city, or experienced financial hardship. Judgments included in the allowance for bad debt are not written off. The judgments remain in effect for eight years, in case the respondent decides to pay. The total amount of the allowance for bad debt at the close of FY25 was \$744 million, up 11% from \$670 million in FY24. After subtracting this from the total ECB judgment inventory of \$1.318 billion, we arrive at the current value of the debt, \$573 million.

- The allowance for bad debt increased 11%, from \$670 million in FY24 to \$744 million in FY25. In FY21, DOF increased the number of collection agencies it engages to collect ECB judgments from two to three. The three collection agencies work the debt in succession. In FY21 and earlier, DOF classified the debts that had been worked by two collection agencies as bad debt. Since FY22, debts worked by the third collection agency and returned to DOF have been classified as bad debt.
- OATH referred 255,080 judgments, including 200,842 default judgments, to DOF in FY25, an average of 63,770 per quarter. The number of referrals in FY25 represented an increase of 24.7% from the 204,499 referrals made in FY24. The amount of the judgments referred during the same period increased 17.8%, from \$177.7 million in FY24 to \$209.4 million in FY25. However, the amount of the judgments referred in FY25 was 21% below the average from FY20 to FY23 (\$266.6 million).



- In FY25, both the number and the total dollar amount of DOB-issued ECB violations entering judgment increased slightly, after several years of decline. The number of DOB-issued ECB violations entering judgment increased by 17.8%, from 18,525 in FY24 to 21,815 in FY25. The \$98.2 million in DOB-issued ECB violations entering judgment in FY25 represented a 15.1% increase from the \$85.3 million that entered judgment in FY24.



- DOF previously confirmed with the Department of Buildings that the decrease in its issuance of ECB violations was due to the construction industry's greater compliance with the City's safety regulations, DOB's efforts to educate the industry on conditions that would result in stop-work orders, and the continued implementation of programs designed to help property owners avoid civil penalties.
- The Department of Buildings has a program to encourage the correction of compliance violations. For certain corrected violations, the respondent receives a credit of approximately 50%.
- DOF's in-house collection efforts include notices, calls, and enforcement efforts such as placing City licenses and permits on hold. In-house collection revenue was \$41 million in FY25, a 2% increase from \$40.2 million in FY24 and consistent with the 1.6% increase in overall revenue collection.
- DOF issued 1,962 legal execution referrals in FY25, up 25% from the 1,573 issued in FY24.
- DOF continued to work with the Department of Transportation to place holds on permits for permittees with outstanding ECB judgment debt. DOF also continued to work with the Department of Buildings, the Department of Transportation, and the Department of Consumer and Worker Protection to suspend permits and licenses issued by other City agencies for permittees and licensees with ECB debt. These initiatives generated \$6.7 million in revenue in FY25.
- Before issuing payments, DOF determines whether vendors have outstanding ECB judgments. If so, DOF contacts the judgment debtor and may offset the ECB judgments if payment is not made.
- DOF continued to allow eligible respondents to settle and pay ECB default judgment debt online by entering into agreements with DOF upon achieving compliance with the issuing agency.

Other FY25 Highlights

- In FY25, OATH referred 255,080 violations totaling \$209.4 million to DOF, including \$116 million (55.6%) in default penalties and \$9.3 million (4.4%) in interest. The number of judgments referred to DOF during FY25 increased by 50,581 (24.7%) compared to FY24, and the dollar amount of the judgments increased by \$31.8 million (17.9%).
- In FY25, 43,093 violations in the amount of \$30.7 million were docketed and paid. The number of docketed and paid violations increased by 13,705 (46.6%) from 29,388 in FY24. The dollar amount increased by \$9.3 million (36.7%).
- Over 519,500 collection letters were issued by DOF and its collection agencies in FY25, down 14% from the 604,000 issued in FY24. The decrease was attributable to improved collection case consolidation in the new collections system.
- The statute of limitations for ECB judgments is eight years from the docket date. After that time, OATH removes the expired judgments. The dollar amount of expired judgments during FY25 was \$400,000. These judgments are distinct from violations included in the allowance for bad debt category. Eight years after docketing, they are no longer in effect.

Collection Rates

Since DOF's collection efforts are part of a larger process of issuing and collecting ECB violations (see page A-5 for a process flow chart), the following table shows the collection rate for the first year after a violation is issued by a City agency, including both pre-judgment and post-judgment collections. In FY25, the one-year collection rate was 57.9%.

# of Summonses Issued *	832,634
# of Summonses Paid	482,417
- Before Judgment	466,407
- After Judgment	16,010
Collection Rate	57.9%

The first-year collection rate of an unpaid ECB violation after it was docketed as a judgment and referred to DOF was 16.5% in FY25. This is higher than the 14.3% first-year collection rate in FY24.

* Excluding violations issued by (i) Taxi and Limousine Commission, (ii) Department of Consumer and Worker Protection, and (iii) Department of Health and Mental Hygiene, as well as violations with unknown balances.

Item I: Department of Finance Inventory of OATH/ECB Debt

The total outstanding inventory, by quantity and dollar amount of violations, can be seen in the tables below. The total amount currently due is \$573,415,697, which excludes an allowance for bad debt of \$744.5 million.

Table 1: Total Outstanding Inventory and Its Components

# of Summonses	Base Fine	Default Penalty	Interest	Total Inventory Before Allowance for Bad Debt	Allowance for Bad Debt	Total Amount Due
936,913	423,257,895	\$577,992,109	\$316,619,074	\$1,317,869,078	\$744,453,381	\$573,415,697

As outlined in the pie chart below, default penalties for failure to attend a hearing, which exclude judgments in the allowance for bad debt, are \$281 million, 49% of the total, and the largest component of the total outstanding inventory.

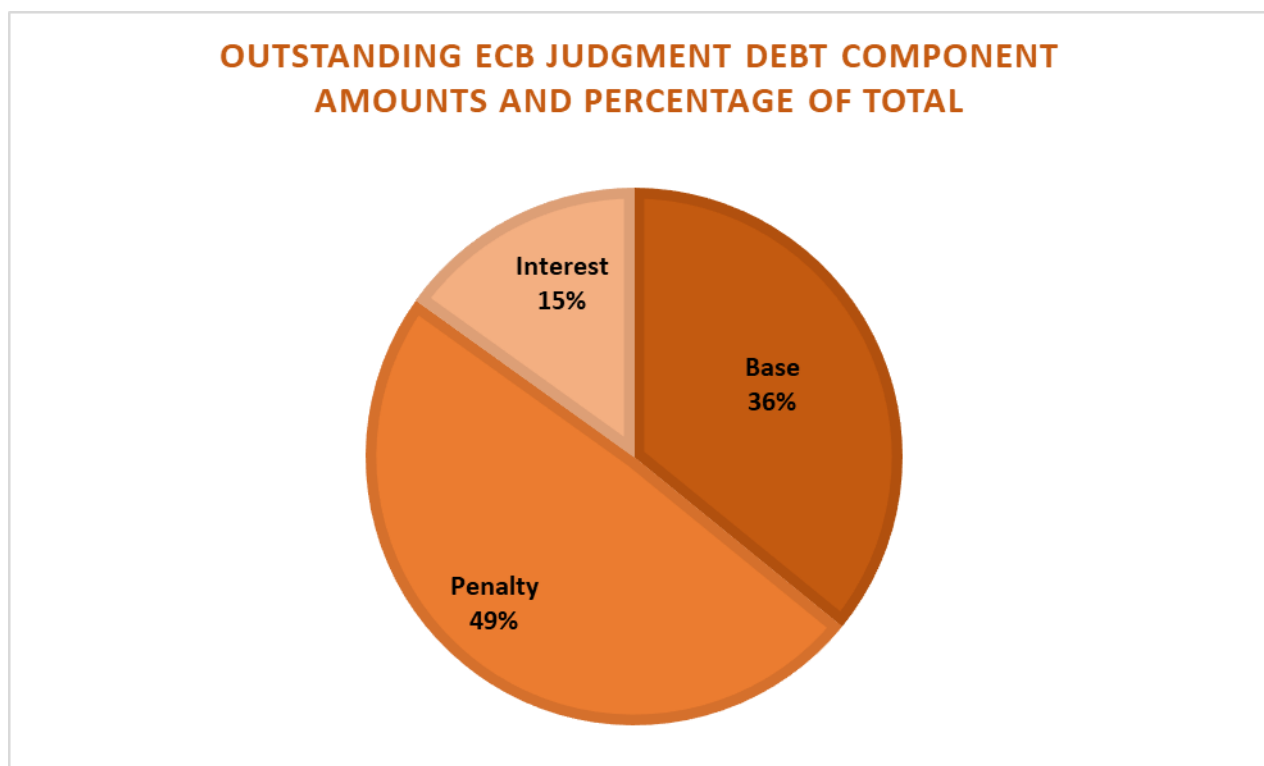


Table 2: DOF Inventory by Fiscal Year of Docket¹

Fiscal Year of Docket Date	# of Summonses	Base Fine	Default Penalty	Interest	Total Amount Due
FY25	217,790	74,134,304	108,441,106	8,191,156	190,766,566
FY24	154,353	48,919,603	66,073,162	15,529,143	130,521,908
FY23	99,626	49,857,182	63,775,958	25,471,586	139,104,726
FY22	9,720	9,911,212	12,142,964	6,267,431	28,321,607
FY21	4,343	2,828,839	4,124,060	2,442,631	9,395,530
FY20	7,370	3,546,035	4,305,903	3,359,291	11,211,229
FY19	8,143	3,418,873	4,200,734	3,960,513	11,580,120
FY18	40,707	13,151,698	18,000,135	21,345,526	52,497,359
FY17	8	4,925	9,326	2,400	16,651
Total	542,060	205,772,671	281,073,348	86,569,678	573,415,697

Table 3: DOF Inventory by Issuing Agency¹

Department of Buildings default penalties and interest account for \$195.1 million (34%) of the total outstanding judgment debt.

Issuing Agency	# of Summonses	Base Fine	Default Penalty	Interest	Inventory Amount
DOB	51,072	115,694,520	145,597,000	49,481,412	310,772,932
DSNY	406,979	26,817,703	81,532,199	19,057,987	127,407,889
FDNY	37,197	40,842,824	23,566,487	9,326,773	73,736,084
DEP	13,761	6,262,683	13,207,871	1,995,286	21,465,840
DOT	8,624	6,851,386	10,467,506	3,371,902	20,690,794
NYPD	9,918	3,625,745	3,689,486	1,257,278	8,572,509
Asbestos Control Program	506	1,532,846	1,469,157	890,898	3,892,901
DOHMH	4,387	2,308,877	668,573	594,576	3,572,026
Parks	8,231	1,259,914	689,946	424,562	2,374,422
DCA	711	258,806	80	50,419	309,305
BIC	25	48,770	85,400	46,252	180,422
Mayor's Office of Midtown Enforcement	81	137,000	4,780	26,137	167,917
Agency Missing	500	73,672	57,176	29,044	159,892
Landmarks	12	26,250	17,000	12,525	55,775
Other Agency*	56	31,675	20,687	4,627	56,989
Total	542,060	205,772,671	281,073,348	86,569,678	573,415,697

* Other Agency comprises Seagate PD, Hunts Point Development, Storm Water Processing, Small Business Services, and Peter Cooper Stuyvesant Town, where the total due was less than \$50,000.

¹ Excludes allowance for bad debt of \$744.5 million. (See Table 1.)

Item II Fiscal Year 2025²

Items I and II: Total Number of Judgments Referred to the Department of Finance by OATH. Total dollar amount of judgments referred to DOF, disaggregated by base penalty, interest, and default penalty.

During FY25, DOF received 255,080 judgment violations from OATH for a total of \$209.4 million, including default penalties assessed against respondents for failing to appear at a hearing.³ There were 50,581 (24.7%) more judgments than the 204,499 judgments referred in FY24. The dollar amount of new referrals increased by 17.9%, from \$177.7 million in FY24 to \$209.4 million in FY25. The increase in the number of newly referred judgment violations was due to increases in the number of summonses issued by various City agencies. The Department of Sanitation issued 32,480 summonses, an increase of 21.8% over the previous year. The Department of Environmental Protection issued 8,444 summonses, an increase of 195.6%. The Department of Health and Mental Hygiene issued 2,109 fewer violations, a decrease of 59.8%. The total amount due increased to \$31.8 million, with increases from the Department of Buildings (\$12.8 million), the Department of Environmental Protection (\$12.1 million), the Fire Department (\$8.1 million), and the Department of Sanitation (\$3.4 million) offset by decreases from the Department of Transportation (\$3.1 million) and the Department of Health and Mental Hygiene (\$1.1 million).

Table 4: FY25 Total Judgments Referred

	# of Summonses Referred	Base Fine	Default Penalty	Interest	Total Amount Due
Judgments In Default	200,842	\$ 49,956,173	\$ 115,959,446	\$ 7,668,506	\$ 173,584,204
Judgments In Violation	54,238	\$ 33,800,592	\$ 427,523	\$ 1,631,584	\$ 35,859,705
Total	255,080	\$ 83,756,765	\$ 116,386,969	\$ 9,300,090	\$ 209,443,910

Table 5: FY25 Judgments Referred by Issuing Agency

Issuing Agency	# of Summonses Referred	Base Fine	Default Penalty	Interest	Total Amount Due
DOB	21,815	\$41,209,678	\$52,612,819	\$4,346,219	\$98,168,732
DSNY	181,712	\$9,668,401	\$33,719,429	\$1,966,100	\$45,353,991
FDNY	22,860	\$22,175,669	\$12,255,585	\$1,623,687	\$36,054,943
DEP	12,762	\$4,614,216	\$11,079,627	\$783,508	\$16,477,354
DOT	5,517	\$3,041,780	\$4,365,257	\$328,601	\$7,735,640
NYPD	6,005	\$1,954,234	\$1,910,825	\$157,173	\$4,022,233
DOHMH	1,418	\$547,259	\$212,695	\$58,168	\$818,122
Parks	2,667	\$410,706	\$163,438	\$25,812	\$599,958
Storm Water Processing	44	\$62,223	\$31,500	\$4,338	\$98,061
Other Agency*	280	72,599	35,794	6,484	114,877
Total	255,080	\$83,756,765	\$116,386,969	\$9,300,090	\$209,443,910

* Other Agency comprises Landmarks, BIC, DCA, Mayor's Office of Midtown Enforcement, and Peter Cooper Stuyvesant Town, where total due was less than \$50K.

² All the data displayed in the tables, except for tables 6, 7, and 8, are as of 07/1/2025.

³ Summonses referred to DOF with docket dates from 06/30/2024 through 05/31/2025 are considered as FY25. (The last docket period for FY25 is 05/31/2025.) We have excluded any recalls. Recalls are cases where a respondent requested a hearing and was granted one by OATH. The number of recalls is small.

Item III: Average Length of Time for Referral of a Judgment from OATH to DOF

The average time from docketing to DOF referral was 2.4 days in FY25.⁴

Item IV: Total Dollar Amount Collected by DOF for Judgments Referred During Preceding Fiscal Year

As of September 30, 2025, DOF collected \$34.6 million against violations that were referred to the agency during FY25. This is reflected in Table 6. As of September 30, 2025, the first-year collection rate for newly referred debt in FY25 was 16.5%.

Table 6: Revenue for Violations Docketed During FY25

Payment Date by FY	# of Summonses Paid	Length of Time Between Docket Date & Payment Date in Month Ranges					\$ Total Collected
		0-3M	4-6M	7-9M	10-12M	13-24M	
FY25	43,093	\$18,830,148	\$8,933,363	\$3,981,288	\$2,334,118	\$571,501	\$34,650,417

Payments on ECB judgments referred to DOF in FY25, ordered by issuing agency, are listed in Table 7.

Table 7: Total Collected by DOF from 7/1/2024 to 9/30/2025

Issuing Agency	# of Summonses Paid	Total Amount Collected
DOB	4,957	\$14,144,469
FDNY	5,302	\$7,555,134
DSNY	25,325	\$4,190,650
DOT	2,163	\$3,237,646
DEP	3,226	\$3,219,833
NYPD	1,404	\$1,990,126
DOHMH	503	\$185,923
Storm Water Processing	32	\$94,082
Other*	181	32,554
Grand Total	43,093	\$34,650,417

* Other Agency comprises Parks, Landmarks, Peter Cooper Stuyvesant Town, and DCA where total collection was less than \$50K.

⁴ We took a sample of three months and looked at the average time that it takes for a violation to be received by DOF.

Item V: Length of Time for Collection of Judgments on Referred Violations during FY25

Table 8: Time Between Docket Date and Payment from 7/1/2024 to 9/30/2025

Issuing Agency	Length of Time Between Docket Date & Payment Date in Month Ranges					\$ Revenue Collected
	0-3M	4-6M	7-9M	10-12M	13-24M	
DOB	\$7,316,174	\$3,768,497	\$1,650,803	\$1,149,386	\$259,609	\$14,144,469
FDNY	\$3,570,834	\$2,308,073	\$1,044,171	\$512,873	\$119,183	\$7,555,134
DSNY	\$1,814,223	\$1,194,923	\$653,923	\$415,261	\$112,321	\$4,190,650
DOT	\$2,461,769	\$477,845	\$187,382	\$84,551	\$26,100	\$3,237,646
DEP	\$1,874,703	\$838,703	\$327,455	\$137,854	\$41,118	\$3,219,833
NYPD	\$1,637,699	\$251,833	\$88,832	\$7,693	\$4,070	\$1,990,126
DOHMH	\$68,194	\$69,446	\$20,341	\$22,429	\$5,513	\$185,923
Storm Water Processing	\$69,965	\$14,429	\$3,155	\$3,222	\$3,311	\$94,082
Other*	\$16,586	\$9,616	\$5,226	\$850	\$276	\$32,554
Grand Total	\$18,830,148	\$8,933,363	\$3,981,288	\$2,334,118	\$571,501	\$34,650,417

* Other Agency includes Parks, Landmarks, Peter Cooper Stuyvesant Town, and DCA where total collection was less than \$50,000.

Item VI: Total Number of FY25 Judgments Requiring Corrective Action⁵

The number of violations requiring corrective action increased (62%) compared to FY24, from 33,671 to 54,509.

Table 9: FY25 Referred Judgments Requiring Corrective Action by Issuing Agency

Agency Name	# of Summonses	Base Fine	Default Penalty	Interest	Total Amount Due
FDNY	22,596	\$21,918,267	\$12,104,540	\$1,597,590	\$35,620,397
DOB	21,151	\$39,568,852	\$50,584,083	\$4,163,641	\$94,316,576
DEP	10,714	\$3,799,808	\$9,697,492	\$659,780	\$14,157,080
Storm Water Processing	44	\$62,223	\$31,500	\$4,338	\$98,061
Landmarks	4	\$12,000	\$3,000	\$784	\$15,784
Grand Total	54,509	\$65,361,150	\$72,420,615	\$6,426,133	\$144,207,898

⁵ Summonses referred to DOF with Aim Source = B docketed during FY25 from static table of FY25 Docketed Judgments; includes uncollectible states and satisfied summonses; excludes anything recalled.

Item VII: Enforcement Efforts Used by DOF to Collect Judgments in Item IV

The number of letters sent decreased by 14%, from 604,400 in FY24 to 519,500 in FY24.

Table 10: Collection Letters Sent in FY25 By Letter Type

Enforcement Letters Sent FY25:		
Type	Count of Letter	Total \$ Addressed
DOF Initial Letter	142,824	\$768,487,800
DOF Partial Payment & Payment Plan and Bounced Check Letter	38,755	N/A
DOF Follow-up/Special Collection Letter	2,647	\$37,821,384
DOF Legal Affairs Demand Letters	5,131	N/A
OCA* Demand Letter	330,161	\$978,655,339
Total	519,518	\$1,784,964,523

* Outside Collection Agencies

Table 11 shows the marshal and sheriff executions issued during FY25. Most executions are referred to city marshals, but in a limited number of situations, DOF issues executions to the Sheriff's Office.

Table 11: Legal Executions Issued by Fiscal Year

FY	# of Executions Issued			Amount Collected		
	Sheriff	Marshals	Total	Sheriff	Marshals	Total
2025	23	1,939	1,962	\$9,524	\$6,209,518	\$6,219,042
2024	28	1,545	1,573	\$57,740	\$6,887,225	\$6,944,966
2023	83	1,606	1,689	\$39,725	\$6,875,921	\$6,915,646
2022	17	497	514	\$202,772	\$3,100,736	\$3,303,508
2021	0	381	381	\$61,282	\$1,532,161	\$1,593,443
2020	270	753	1,023	\$642,339	\$4,021,995	\$4,664,334
2019	495	1,997	2,492	\$544,316	\$9,075,742	\$9,620,058
2018	119	1,894	2,013	\$86,300	\$2,499,159	\$2,585,459

Item VIII: Total Number of Statutorily Expired Judgments, by Issuing Agency

There is an eight-year statute of limitations for ECB judgment violations. Violations that are older than eight years have expired and are excluded from the inventory. In Table 12, FY18 through FY25 figures also reflect judgment violations that were withdrawn by issuing agencies and were excluded from the inventory.

Table 12: Total Number of Judgments Statutorily Expired and Withdrawn by FY

Fiscal Year of Docket Date	# of Summonses	\$ Amount Due
FY25	133	\$201,700
FY24	139	\$127,450
FY23	29	\$25,585
FY22	8	\$6,500
FY21	2	\$7,500
FY20	8	\$34,875
FY19	7	\$9,800
FY18	2	\$1,500
Unknown	1	\$42
Total	329	\$414,952

Table 13: Total Number of Judgments Expired by Issuing Agency

Agency Name	# of Summonses	\$ Amount Due
FDNY	166	\$312,600
DSNY	138	\$41,050
DOB	20	\$31,740
Asbestos Control Program	1	\$24,960
DEP	1	\$4,160
DOHMH	3	\$442
Total	329	\$414,952

What is ECB?

THE ENVIRONMENTAL CONTROL BOARD (ECB)

is a part of the Office of Administrative Trials and Hearings (OATH).

It is an administrative court - not part of the state court system.

ECB judges hear cases on violations of the City's laws that protect the City's quality of life.

Types of ECB Violations

These violations come from over a dozen different agencies and include:

- Dirty sidewalks
- Littering
- Failure to remove snow and ice
- Posting of posters or signs where they are not permitted
- Work without a permit from the Department of Buildings (DOB)
- Failure to comply with DOB building code
- Failure to file a Certificate of Correction with DOB
- Failure to comply with a DOB order

Types of Debt

There are two types of Debt*

COMPLIANCE- \$398.6 million

- Requires a correction to be made to rectify the violation.

NON-COMPLIANCE- \$174.8 million

- Does not require corrective action.

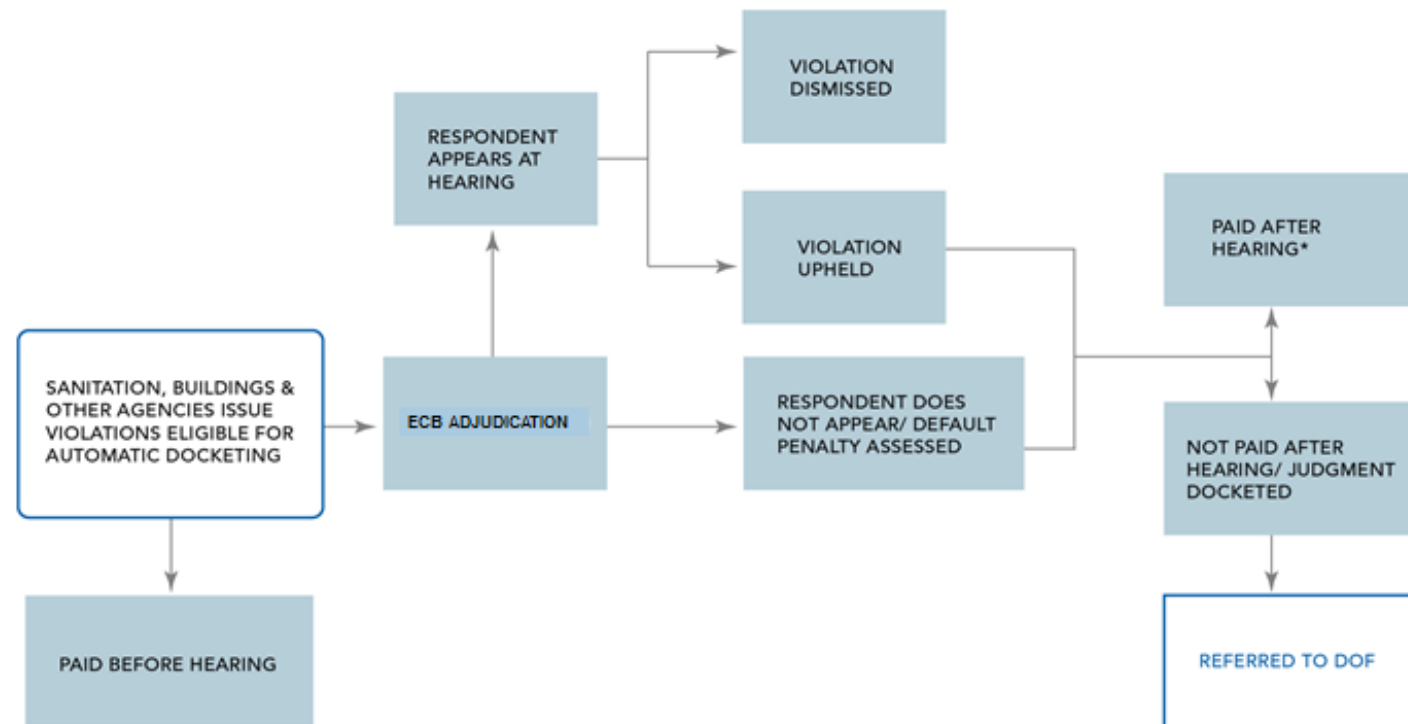
* As of September 2025

Pre-DOF Process Key Points

- Violations are issued against property owners, individuals, businesses, lessees, contractors, or pedestrians. Summonses do not indicate the entity type
- Each violation requires an affidavit of service
- Respondents are entitled to due process, including contestation of proper service, prior to DOF referral
- Most violations are resolved prior to DOF referral; 57.9% paid and 5.7% dismissed at hearing¹
- About 79% of the violations referred to DOF have large penalties imposed for failure to attend a hearing. In some instances, the penalties can quintuple to the base fine amount. Base fines only constituted 40% of the amount referred in FY25

¹ FY2025 Data

Context: Pre-DOF Process Overview



Hearings for ECB Violations

- For both Compliance or Non- Compliance violations, ECB holds a hearing.
 - If the respondent attends the hearing and is found guilty:
 - The judgement amount is the base fine.
- Default means the respondent did not attend a hearing at ECB.
 - If respondent failed to appear for a hearing:
 - ECB imposes a default penalty.
 - Judgment amount is the base fine plus the default penalty.
 - Default penalty can be significantly more than the base fine.
- Docketed means the violation is in judgment and has been entered into the court's records.
 - Interest begins to accrue on the judgment amount once a violation is docketed.

DOF Challenges

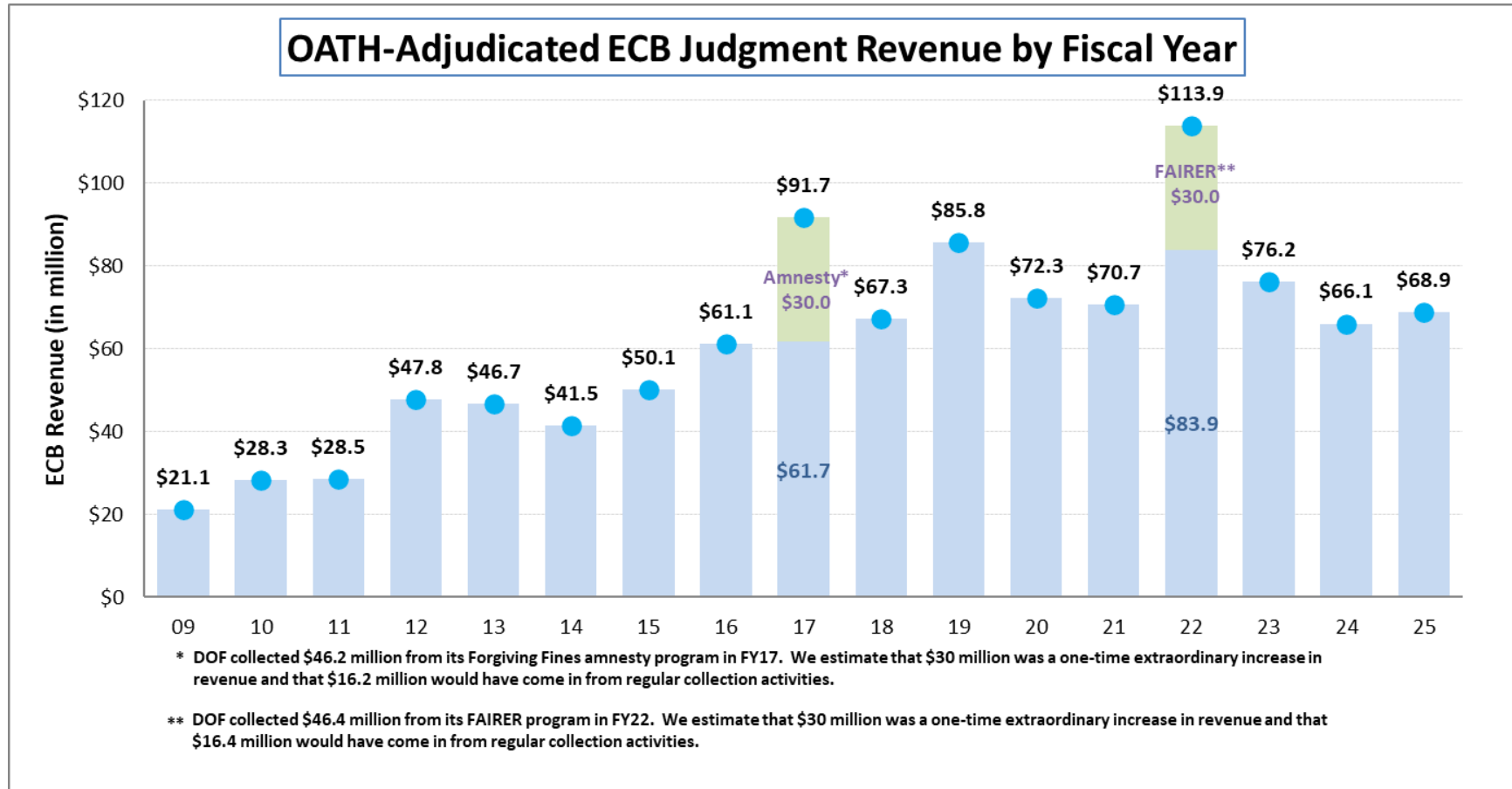
- **Nature of the debt** ECB judgments are not always issued against property owners and those that are can only become property liens under certain circumstances. In contrast, property liens attach directly to a property and must be paid during property transfers, making them a more effective collection device.
- **LLCs** Many properties are held in the name of LLCs. Each LLC is only legally responsible for its own obligations (i.e., judgments filed under its name). The LLCs make it difficult to aggregate the debt when the beneficial owners of the LLC are not known and/or when a landlord has a different LLC “owner” for separate properties.
- **Affidavit of Service** Each violation has an affidavit of service to show that the respondent was properly served with the violation. When a respondent claims that they have not been served with the violation, the affidavit of service may be the basis for the respondent challenging the underlying violation. Verification of service prevents DOF from enforcing against multiple respondents at the same time as it does when booting vehicles for parking ticket debt.

Other Challenges

OATH violations are difficult to collect because:

- Businesses often go out of business/file for bankruptcy and some owners reincorporate in a new name to avoid judgments
- Respondents who passed away
- Violations are written to incorrect name, incorrect address or incorrect entity that has no legal connection to the property
- Often the violation is handwritten and data is entered manually which may result in name misspellings or typos
- There is no unique identifier for the violations such as:
 - EIN or SSN for the respondent
 - Borough, Block, and Lot (BBL) for the property
- Respondents often file motions to vacate default judgments at OATH
- The Department of Buildings defaulted judgments maybe corrected and the amount owed may change when they are being collected

Appendix B: ECB Judgment Revenue FY09 – FY25



Appendix C: ECB Judgment Collection Rate

ECB Judgment First-Year Collection Rate By Fiscal Year	
Fiscal Year	First Year Collection Rate*
15	8.8%
16	11.1%
17 **	12.8%
18	11.7%
19	15.3%
20	13.0%
21	13.3%
22 ***	16.1%
23	17.0%
24	14.3%
25	16.5%

* Derived by dividing FY revenue for new referrals by the FY new referrals. NOTE: First-year collection rates that appeared in previous versions of the Local Law 11 Report were found to have an error. The rates shown here correct the previously reported first-year collection rates.

** We were unable to estimate the impact of amnesty on the FY17 first-year collection rate. Very few first year judgments were eligible for amnesty but some amnesty applicants paid for both amnesty eligible and for newer judgments.

*** There was no/little direct impact of amnesty on the FY22 first-year collection rate as ECB judgments docketed after June 23, 2021 were not eligible for the FAIRER program.