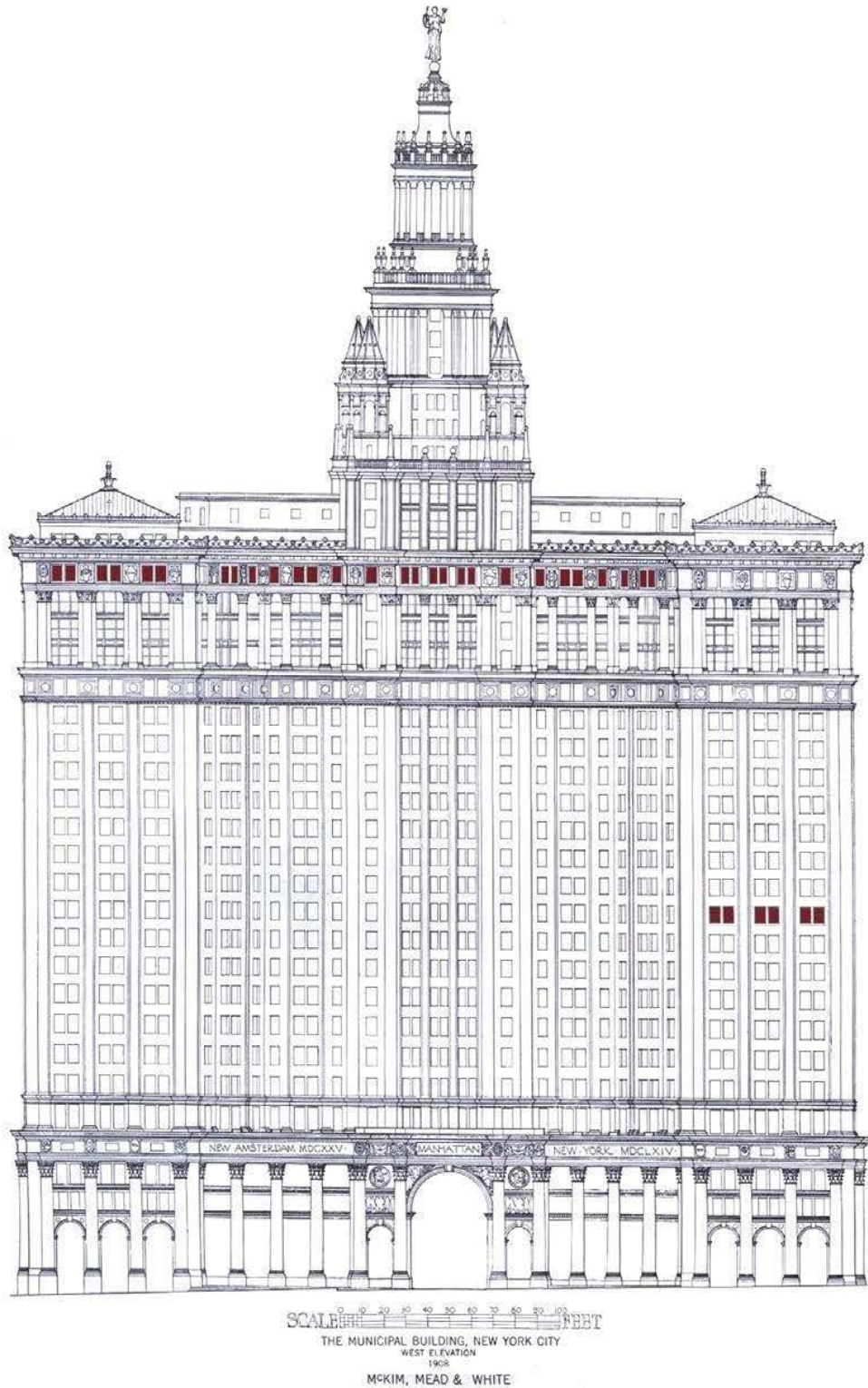


# TAX COMMISSION OF THE CITY OF NEW YORK



## 2019 ANNUAL REPORT

Frances J. Henn  
President

**MEMBERS OF THE TAX COMMISSION**

Frances J. Henn, President

Janet Alvarez  
Susan Grossman  
Carlo Silvestri  
Kirk P. Tzanides  
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**MANAGERIAL STAFF**

Director of Operations..... Myrna Hall  
Special Counsel ..... Leonard Picker  
Director of Appraisal & Hearings ..... David Dunay  
Chief Information Officer ..... Srinivas Vallury

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## **Introduction**

The Tax Commission's 2019 Annual Report is submitted to the Mayor and the City Council pursuant to Section 155 of the Charter of the City of New York.

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 2019. It also contains a statement of the Tax Commission's accomplishments and improvements during the year and a summary of plans for 2020.

## **Mission & Functions**

The Tax Commission is the City of New York's independent forum for administrative review of New York City Real Property Tax (RPT) assessments set by the Department of Finance. The Tax Commission's mission is to ensure that determinations of RPT assessment appeals are made effectively, fairly and efficiently. Annual property tax assessments are the basis for the RPT levy, the City's largest single source of revenue. There are over one million parcels of real property in the City generally identified by the borough, block and lot number on the tax maps maintained by the Department of Finance. Each year the Department of Finance sets tentative assessed values, which are reflected on the tentative assessment roll it publishes in January for the fiscal year beginning the following July 1. The Department of Finance also mails individual printed notices of the tentative assessed value to the owner (or designee) of each property on or about January 15.

Under New York State and City law, each property owner<sup>1</sup> has the right to an administrative review of the assessed value of its property. After the Department of Finance publishes the tentative assessment roll, an owner or other party with legal standing

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<sup>1</sup> By law, certain other parties having an interest in the property who are adversely affected by the assessment, e.g., a tenant of the entire property who pays the RPT for the property, can request a review of the assessment by the Tax Commission in lieu of the property owner.

who believes the property is incorrectly assessed may seek review by the Tax Commission by filing an application for correction.

### **History**

The Tax Commission was created by New York State legislation in 1857. At its inception, the Tax Commission supervised the agency responsible for setting RPT 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. In 1984, the Department of Finance was given original jurisdiction to determine applications for exemption and the Tax Commission was given authority to review denials of exemptions, completing the separation of the assessment process from the formal assessment review function. Since then, the Tax Commission has served exclusively as an independent administrative review body. In 2007, the City Council amended the New York City Charter (L.L. 59 of 2007) putting both the Tax Commission and the Tax Appeals Tribunal (the agency charged with administrative review of non-property tax notices issued by the Department of Finance) under the umbrella of the Office of Administrative Tax Appeals.

### **Structure & Resources**

The City Charter provides that the Tax Commission consists of a President and six Commissioners appointed by the Mayor to staggered, six-year terms, with advice and consent of the City Council. The President, as the head of the agency, serves full-time, while the six Commissioners serve part-time. Each member of the Tax Commission must have at least three years of business experience in real estate or real estate law. Additionally, the City Charter requires the Tax Commission to include at least one resident of each borough. The current President, Frances J. Henn, was appointed effective January 7, 2020 for a six-year term ending January 6, 2026.<sup>2</sup> In 2019 there were four part-time Tax

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<sup>2</sup> Ellen E. Hoffman was the President in 2019. She was appointed effective August 4, 2015 to complete a six-year term ending January 6, 2020. She retired as of January 2, 2020.

Commissioners, one whose term ends in January 2022, two holdovers whose terms ended in January 2018, one holdover whose term ended in January 2016, and two vacancies. On January 7, 2020 another part-time Commissioner was appointed to a six-year term which ends January 6, 2026. Efforts to fill the remaining position is ongoing.

The Tax Commission has fully integrated the New York City Tax Appeals Tribunal professional staff into the process of reviewing Tax Commission applications. This enables the Tax Commission to manage the increased volume of applications without diminishing the quality of review.

For the 2019/20 tax year filing season, the Office of Administrative Tax Appeals had a staff of 45 full-time employees plus four part-time Tax Commissioners and two additional part-time hearing officers, who are attorneys with more than 20 years of experience in real property valuation, one at the City Corporation Counsel's Office and one at the Department of Finance.<sup>3</sup> The Office of Administrative Tax Appeals' operating budget for 2019 was \$5,294,893. The Tax Commission's structure and its managerial personnel are presented in the organization chart included in this report.

### **The Administrative Review of Property Tax Assessment in New York City**

State law divides all real property in the City into four classes for purposes of taxation. Class one includes one-, two- and three-family homes, most residentially-zoned vacant land outside Manhattan and certain condominiums of up to three stories.<sup>4</sup> Class two consists of all primarily residential property not in class one. Utility property is in class three. All other nonresidential property is in class four.

Except for properties whose annual assessment increases are limited by law,<sup>5</sup> the amount of a property's assessed value is a percentage, called the assessment ratio, of the property's market value. Each year, the Department of Finance calculates an individual

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<sup>3</sup> The Tax Commission also employs part-time college aides.

<sup>4</sup> Certain other small condominiums also are included in class one.

<sup>5</sup> All class one and certain small class two properties having ten or fewer units.

assessment for every parcel of property and the assessment ratio for each of the four tax classes taking into consideration fluctuations in the real estate market, physical alterations and changes in taxable status. The current assessment ratio for class one property is 6%. The assessment ratio for classes two, three and four is 45%. A property's assessed value is a function of that property's tax class designation, market value, assessment ratio and eligibility for exemption.

The tentative assessment roll is subject to modifications until the final assessment roll is published by the Department of Finance on or about May 25th. Thereafter, the City Council sets the annual tax rates for the four tax classes in accordance with statutory requirements involving: the aggregate assessments in each of the four tax classes; 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. The tax imposed on each property for a fiscal year (before abatements) is the product of its assessed value (after exemptions) and the tax rate applicable to its tax class as adopted by the City Council.

In response to the filing of an application for correction of assessment, the Tax Commission will review the following claims: 1) misclassification, i.e., the property is assessed in the wrong tax class for its type and use under the four-class system; 2) excessiveness, including claims that the property did not receive all or a portion of a tax exemption; 3) inequality, i.e., 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, including claims that the property did not receive a full exemption or the property otherwise was not subject to assessment by the Department of Finance. The RPT rates set by the City Council are *not* subject to Tax Commission review. The estimated market value determined by the Department of Finance for class one properties and class 2 properties having fewer than 11 residential units also are not subject to Tax Commission review. The physical description of the property cannot be changed on the records of the Department of Finance although if, as part of a Tax Commission application, an applicant

offers evidence of a discrepancy in the physical description, the Tax Commission will ask the Department of Finance to inspect the property to confirm or modify the physical description.

The typical application filed with the Tax Commission seeks a reduction in the amount of the property's assessed value. Challenges to the assessment ratio set by the Department of Finance are rarely raised before the Tax Commission because they require extensive data analysis and are best handled through court proceedings. Therefore, challenges for most properties are limited to disputes over the assessed value as determined by the Department of Finance. Challenges based on a claim of misclassification or eligibility for a full or partial exemption also are common. Applications can raise more than one type of claim.

The Tax Commission updates and prints application forms each year for use in the administrative review process. The specific forms required to be filed depend on the property's designated tax class and use and the nature of the claim(s) being made. Application forms, instructions, and summaries of applicable procedures may be obtained in person at the Tax Commission's office in Manhattan as well as at the Department of Finance Business Centers in each borough. Forms also are available on the Tax Commission's website at [www.nyc.gov/taxcommission](http://www.nyc.gov/taxcommission) and are mailed by the Tax Commission on request.

The application forms are designed to elicit information necessary for the Tax Commission's proper determination of the claims raised in the application, including financial information and information about the use and occupancy of the property. By law, financial statements for income-producing properties having an assessed value of \$5



million or more must be accompanied by a certification by a certified public accountant that the accountant has reviewed the financial statement.<sup>6</sup>

In 2019, the filing deadline for applications for review of assessments of properties in tax class one was March 15, 2019; the deadline for filing applications for review of assessments of all other properties was March 1, 2019. 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 Tax Commission has no authority to waive or extend the deadlines.<sup>7</sup>

The applicant must complete the application according to the printed instructions and sign it with a certification for property in tax class one, or sign it before a notary public, for property in tax classes two, three and four. All applicants who properly complete, sign and timely file the required application forms receive substantive review of their claims by the Tax Commission. To the extent resources allow, an in-person hearing is granted if requested. When an in-person hearing is not requested, or when resource allocations require it, an application may be determined on the papers (i.e. documented information) submitted. There is no difference in the thoroughness of the review on papers or after an in-person hearing. 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 particularly complex or unique cases.

Since 2011, a filing fee of \$175 applies to applications for properties with an assessed value of \$2 million or more, equivalent to a market value of about \$4.45 million for properties in tax classes two, three and four, and over \$33 million for properties in tax class one. The Tax Commission will not review an application if the fee is not paid for the

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<sup>6</sup> Local Law 42 of 2019 raised the threshold for requiring a CPA's certification from \$1 million to \$5 million effective January 1, 2019. That threshold is subject to adjustment every five years to reflect changes in the assessed values of tax class two and four properties.

<sup>7</sup> However, if the Department of Finance issues a notice increasing the assessed value or reducing the amount of an exemption, the property owner can file an application for correction within 20 calendar days after the date of that notice even if the 20th day falls after the March 1 or March 15 deadline.

previous year.<sup>8</sup> The fee does not apply if the applicant or representative waives review of the application before it is scheduled for a hearing.

In addition to providing property owners an independent forum for review of their property tax assessments, the Tax Commission 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 resolves many claims that might be further contested through court proceedings under Article 7 of the New York Real Property Tax Law (RPTL) costing property owners and the City time and resources.

As a condition of accepting an offer of reduction from the Tax Commission, applicants must agree to discontinue all pending judicial proceedings for prior years and to forego filing for such a proceeding for the current year. This benefits the City by eliminating thousands of pending Article 7 proceedings. Finally, to the extent the Tax Commission resolves applicants' claims prior to publication of the final annual assessment roll in May, RPT bills issued in July can be based on the corrected assessed values.

In sum, although it is a small agency in terms of staffing and expense budget allotments, the Tax Commission is an integral and essential component of the New York City RPT administration system.

Applications are reviewed by one or more of the following acting as hearing officers: members of the Tax Commission Appraisal & Hearing Group (all of whom are experienced assessors by training), the President, part-time Tax Commissioners, or, as designated by the President, the Tax Commission Special Counsel, one of the part-time hearing officers,<sup>9</sup> or an attorney in the Tax Appeals Tribunal. In 2019, hearings on

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<sup>8</sup> The fee is not paid with the application but is added to the RPT bill and collected with the tax by the Department of Finance.

<sup>9</sup> See "Structure & Resources" at p. 2.

applications involving properties with assessments of \$90 million or more, referred to generally as “high value” properties, were conducted by teams of two hearing officers, consisting of one assessor and either the President or a senior member of the Appraisal & Hearings Group.

For applications involving utility properties, as provided by law and upon request by the applicant, the entire Tax Commission (i.e., the President and all of the part-time Tax Commissioners) will convene and act on the application. Utility applicants also may choose to have a hearing before, and determination by, the President working with a member of the Appraisal & Hearings Group.

Applications involving exemption claims are reviewed by attorneys in the Tax Commission or Tax Appeals Tribunal acting as hearing officers. The rest of the applications are divided into categories based on the property type and assessed value and then randomly assigned to a hearing officer by category taking into account the experience level of the hearing officer.

The Tax Commission conducts hearings at its offices in Manhattan, as well as in the Bronx, Brooklyn, Queens and Staten Island offices located within the premises of the Department of Finance’s Property Division.

In preparation for the hearing, the hearing officer reviews the current year’s application, financial or other information submitted, applications submitted in past years and any other relevant information. At the hearing, the applicant or representative is expected to be prepared to explain any anomalies in the application and accompanying documents, especially discrepancies between the current year’s application and prior applications filed. At the applicant’s request, the Tax Commission will receive sworn oral testimony by the owner (or another person with relevant knowledge) in support of the claims made on the application. Formal rules of evidence do not apply. Although not required, about 98% of applicants were represented by a lawyer or a non-attorney

professional in 2019 although owners of class one properties represented themselves about 31.5% of the time.

Under applicable case law, the assessment set by the Department of Finance is presumed to be correct. The burden is on the applicant 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.

The Department of Finance is permitted to appear at hearings or may offer written submissions in defense of assessments under review. For the past several years, representatives of the Department of Finance have attended a number of hearings, requested copies of various documents and submitted information and documents supporting the original assessment. Applicants or their representatives will receive copies of any information submitted by the Department of Finance. Attendance at hearings gives the Department of Finance the opportunity to gain additional information about a specific property that may aid in assessing that property for the following year, with a goal of reducing or eliminating the need for Tax Commission review in the following year.

In making a determination on an application, the hearing officer considers all relevant information and documents presented, along with any information from the Department of Finance and any facts of which the Tax Commission properly may take administrative notice. The accepted methodologies for valuing real estate, as well as those set by law, use sales of comparable properties, income generated by the property or the cost of reproducing the property. To aid in determining the market values of properties, the Tax Commission staff does market research and monitoring, and compiles reference materials that are supplemented and updated regularly. The Tax Commission also reviews documents and articles regarding the real estate industry, such as recent sales and leasing activity reports, and maintains in its files materials relevant to specific properties. Finally, Tax Commission assessors perform exterior and/or interior field inspections of subject properties when necessary, or make referrals to the Department of Finance for inspection.

In addition to considering claims relating to a property's current year assessment, the Tax Commission also is authorized by law to review the assessment for the most recent preceding year provided a valid court proceeding is pending. In unusual cases, the assessment for an earlier year within the most recent five years may be reviewed, again provided a valid court proceeding is pending. Proper filing of a Tax Commission application is a prerequisite to judicial review of an assessment, and timely filing of an Article 7 petition<sup>10</sup> is a prerequisite to Tax Commission review of a prior year's assessment.

If the Tax Commission concludes that there is adequate proof of an error, it offers relief in the form of an assessment reduction, class change or exemption as appropriate. The Tax Commission cannot raise the assessed value or reduce the amount of an exemption. The Tax Commission mails a notice of its determination to the applicant or its designated representative. An offer to reduce or otherwise adjust an assessment is implemented only if the applicant or authorized representative properly executes and returns the Tax Commission's standard written acceptance agreement within the specified time. Acceptance of any offer is subject to specified terms and conditions, which include the discontinuance of all judicial proceedings pending with respect to assessments for prior years and an agreement not to file an Article 7 proceeding for the current year covered by the offer.<sup>11</sup>

All offers of reduction of \$50,000 or more are subject to review and approval by the President of the Tax Commission. The Tax Commission also has an internal quality control auditing process. A number of applications for which the hearing officer has proposed an offer of reduction are systematically identified using predetermined criteria as well as a stratified random sample. Selected applications are subject to reexamination and a revised

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<sup>10</sup> An Article 7 petition must be filed by the October 24 of the tax year, e.g., an Article 7 petition on an application filed March 1, 2019 had to have been filed by October 24, 2019.

<sup>11</sup> Statistics on prior years' petitions closed in connection with Tax Commission offers of reduction are provided under "2019 Operations & Performance" at p. 12.

determination may be made. On occasion, an offer is withdrawn.<sup>12</sup> The Tax Commission will explain to applicants or their representatives the basis for any withdrawal of an offer. In addition, as part of the internal quality controls, to the extent possible, applications for a property may not be reviewed by the same hearing officer in more than two consecutive years.

If the applicant accepts a Tax Commission offer of relief before publication of the final assessment roll, the revised assessed value is reflected on the final annual assessment roll and on the corresponding tax bills subsequently mailed by the Department of Finance for the fiscal year beginning July 1. Offers of reduction for current-year assessments accepted after the roll becomes final, as well as all accepted offers of relief for prior-year assessments, are implemented by remission. In those situations, the Department of Finance recalculates the property's RPT liability based on the assessment as corrected by the Tax Commission and issues a refund and/or credit to the affected taxpayer.

If a Tax Commission offer of relief is not accepted, is not accepted by the applicable deadline, or the offer is withdrawn or an acceptance agreement revoked as part of the quality control auditing process, the tentative assessment at issue is confirmed.

An applicant may seek judicial review of an assessment confirmed by the Tax Commission by filing an Article 7 petition in the New York State Supreme Court in the appropriate county by October 24 and serving the petition on the Tax Commission. State law does not require the courts to give any deference to the Tax Commission's determination. An optional small claims (SCAR) procedure is available for owner-occupied one, two and three-family homes. With its notice of determination, the Tax Commission provides all applicants with information on how to initiate an Article 7 or SCAR proceeding.

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<sup>12</sup> The Tax Commission's authority to withdraw an offer was recently upheld by the Appellate Division, First Department in *The 45 Great Jones Apartment Corp. v Tax Commission of the City of NY*, (2020 N.Y. Slip Op. 00920).

The City's Corporation Counsel represents the Tax Commission in Article 7 proceedings. The Tax Commission and the Tax and Bankruptcy Division of the City Corporation Counsel's office maintain ongoing communications to foster efficiency, fairness and to pursue the best interests of the City. The Tax Commission maintains records of all judicial proceedings relating to property tax assessments from commencement to disposition and updates that file twice a year.

### **2019 Operations & Performance**

Assessment Review. In 2019, the Tax Commission received 57,021 applications, covering 227,988 separately assessed tax lots, having an aggregate tentative assessed value of \$256,021,220,798. This represents a more than 31% increase in the number of applications since 2008 and about 83.4% of the total 2019/20 assessed value of all City properties in all tax classes.<sup>13</sup>

In 2019, the Tax Commission provided substantive hearings on 31,211 applications.<sup>14</sup> The Tax Commission took remedial actions that, in the aggregate, granted \$5,449,634,527<sup>15</sup> in assessment reductions for the 2019/20 tax year, yielding an estimated \$613,562,473 in tax relief for that year. In conjunction with its disposition of 2019 applications, the Tax Commission also obtained discontinuances of 20,323 pending Article 7 judicial review proceedings claiming errors in assessments for prior years.

In 2019, the City Corporation Counsel's Office settled approximately 16 Article 7 proceedings resulting in about \$2.2 million in assessment reductions. In recent years, the courts, after trial, have issued few judgments disposing of Article 7 proceedings. In 2019, 9 Article 7 cases were decided by the courts, granting \$110,396 in assessment reductions.

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<sup>13</sup> The comparison is not exact as the assessed value represented by applications is based on the tentative assessment roll while the total figures is from the final roll. The total actual assessed value of all City properties for the 2019/20 tax year was \$306,905,429,567.

<sup>14</sup> This figure includes applications where the applicant requested that the application be reviewed without a personal hearing. An additional 26,323 applications eligible to be heard did not receive a substantive determination because the applicant or representative either declined substantive review or failed to provide requested information at or after the hearing.

<sup>15</sup> In 2019, the Tax Commission also granted reductions of \$1,158,434,632 for the 2018/19 tax year.

The Tax Commission's administrative review has been, and continues to be, the most effective means of resolving pending judicial proceedings contesting billions of dollars in assessments.

In connection with performing its core function of ruling on annual applications for correction of assessment, the Tax Commission has to undertake substantial preparatory and support work including:

- Annually reviewing, updating and refining application forms along with associated instructions and informational summaries
- Outreach to the public and information sessions on the application process
- Intake of applications and stratified sorting of applications and accompanying documents
- Creating, maintaining and tracking case files and records, which are used throughout the office during the course of the review process
- Calendaring applications for hearing, which requires matching hearing officers' schedules with those of representatives, and grouping applications by various characteristics, including property type and representative
- Extensive data processing to ensure Tax Commission data on properties is current and correct and any determinations by the Tax Commission are communicated to the Department of Finance for reflection in the assessment roll
- Performing legal, appraisal and factual research and analyses
- Rendering determinations
- Generating and mailing disposition notices
- Communicating with the Department of Finance and the City Corporation Counsel's Office
- Auditing determinations
- Compiling and analyzing performance statistics
- Removing discontinued petitions from the Tax Commission's systems
- Responding to inquiries throughout the year from property owners, representatives, elected officials and the public

Nonprofit Exemptions. The Department of Finance sends notices requesting renewal of property tax exemptions to not-for-profit organizations requiring them to provide updated information to establish continued eligibility for exemption. This can



result in the Department of Finance reducing or removing an exemption. In 2019, the Tax Commission received 146 applications protesting the denial or reduction of nonprofit exemptions. These matters required substantial interaction with those claiming exemption and extensive documentation of the exempt status of the organizations and use of the premises. Many of these organizations are not represented and do not have professional staff so the Tax Commission spends a considerable amount of time explaining the requirements for exemption and how to present the facts needed to prove their claim.

Personal Exemptions. The Department of Finance removed significant numbers of personal exemptions from properties in 2019. As a result, in 2019, the Tax Commission received 1,023 applications for review of denials of personal exemptions including STAR, Enhanced STAR, Senior Citizen, Disabled, Veteran and Clergy exemptions. Of the applications received in 2019, 200 were for the 18/19 tax year, all of which were resolved, and 823 were for the 19/20 tax year of which 617 were resolved.

The Tax commission anticipates receiving at least as many personal exemption appeals for the 20/21 tax year. Finance has begun a clergy exemption renewal process, which is likely to increase the volume of such appeals for 20/21.

FOIL. The Tax Commission receives numerous requests under the Freedom of Information Law each year. Some requests relate to individual properties; some requests are for large volumes of data to be provided in electronic form. We are advised by the City Corporation Counsel's office that FOIL requires the Tax Commission to put data into the format requested if possible, even if it is not maintained by the Tax Commission in that format. Depending on the nature of the request, either Tax Commission IT staff must take time to compile the data requested and convert it into the desired format, or other staff must manually locate, review and make hard copies of requested material from the paper files. FOIL compliance requires adherence to statutory deadlines so that the necessary staff must be pulled from other tasks. FOIL does not permit full compensation for the time of staff or the cost of data processing done by agency staff; we only can charge \$0.25 per page for

copying. In 2019, the Office of Administrative Tax Appeals received 92 FOIL requests, of which 90 were for Tax Commission documents. The remaining requests were for Tax Appeals Tribunal documents.

### **Planned and Implemented Improvements or Modifications**

In 2019, the Tax Commission continued to expand its use of technology for information gathering, administration and communication with the public. Property sales prices, leasing activity, income and expense data and demographic information publicly available is used to aid in determining property values for specific properties and in establishing internal guidelines.<sup>16</sup> In 2019 the Tax Commission continued to make available on its website its guidelines for income and expenses and capitalization rates for various property types. 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 continued its emphasis on the efficient delivery of service to applicants in 2019 by:

- In cooperation with representatives, allowing additional time for representatives to screen their cases and decline hearings on those matters for which merits review is not requested. This resulted in fewer non-meritorious cases being scheduled and allowed the best use of hearing officers' time and attention.
- In response to requests by property owners' representatives, 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 RPT bill. This reduced the substantial time and effort required of the Department of Finance, representatives and property owners in obtaining refunds for individual condominium unit owners.
- Continuing to work with various professional and industry organizations on the practices, procedures and policies employed in the annual assessment review process.

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<sup>16</sup> Guidelines published by the Department of Finance also are considered.

- After the Department of Finance’s mailing of the Notices of Property Value in January, joining with the Department of Finance at a series of outreach programs at which property owners can receive information, forms and guidance on filing applications for correction with the Tax Commission. Ten such sessions were held in February 2019, one daytime and one evening session in each borough. The Tax Commission also provided materials on the application review process for distribution at other sessions.
- Joining with the Department of Finance in a briefing session for City Council staff members to assist them in answering constituents’ questions about their Notice of Property Value and the opportunity to appeal to the Tax Commission.
- Joining with the Department of Finance in a briefing session for Department of Finance staff who will provide additional outreach sessions to enable them to correctly answer basic inquiries without referring inquiries to the Tax Commission, which will allow Tax Commission staff to focus on answering more complex questions on the assessment review process.
- Including on the Tax Commission website a tool allowing users to translate much of the posted information into over 90 languages.
- Providing the opportunity for taxpayers to have hearings 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 can opt for an in-person hearing in the borough where they live, where the subject property is located or in another borough convenient for them. Applicants and representatives also can request that a hearing be held at the Tax Commission’s offices in Manhattan.
- Conducting a three-hour program on January 2019 on policies and practices for representatives who regularly appear at the Tax Commission to inform them about the agency’s rules of practice, changes introduced, the agency’s requirements of professional conduct and integrity, and other information to help them avoid common mistakes that prevent their clients’ applications from being considered on the merits.

In 2020, Tax Commission plans include:

- Fully implementing the use of the Department of Finance’s computerized property tax system (PTS), which replaced the legacy Tax Commission computer systems for application processing as well as those of the Department of Finance used for all

aspects of property tax assessments, apportionment, exemptions and billing. PTS came on line in early February 2019. In 2020, this effort will consist of ongoing training for all Tax Commission and OATA staff in the use of PTS and in looking for more ways to use the capabilities of PTS to more efficiently perform Tax Commission functions.

- Expanding the use of electronic means to receive and transmit information and documents between the Tax Commission and representatives and applicants so as to reduce the use of paper and to facilitate the eventual use of electronic recordkeeping. Ultimately, the Tax Commission hopes to receive applications and financial information electronically.
- Improving the effectiveness 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 to review the Tax Commission's forms and instructions to minimize filing errors and to simplify filings, particularly for self-represented applicants.
- Continuing to improve the quality and the efficiency of the annual assessment review hearings and determinations; expand quality control procedures to protect against potential corruption and ensure consistency and accuracy of determinations; and increase transparency in the assessment review process.
- Working with the Department of Finance to identify issues in the assessment and exemption application process with a view toward achieving the correct assessment and exemption without the need for Tax Commission review.
- Applying the resources available to maximize the number of determinations implemented prior to publication of the final assessment roll including early hearings for certain condominium properties.
- Expanding the information gathering efforts of the Appraisal & Hearings Group to ensure the most current and reliable information is available to value properties.

**NEW YORK CITY TAX COMMISSION 2019 ANNUAL REPORT**  
**2019 ASSESSMENT APPEALS AND OUTCOMES BY TAX CLASS**

| APPEALS                   |               |                |                                  | CURRENT YEAR OFFERS RECEIVED |               |                            | CURRENT YEAR OFFERS ACCEPTED |               |                                |
|---------------------------|---------------|----------------|----------------------------------|------------------------------|---------------|----------------------------|------------------------------|---------------|--------------------------------|
| REAL PROPERTY DESIGNATION | APPLICATIONS  | TAX LOTS       | COLLECTIVE AMOUNT OF ASSESSMENTS | APPLICATIONS                 | TAX LOTS      | COLLECTIVE AMOUNT OF OFFER | APPLICATIONS                 | TAX LOTS      | COLLECTIVE AMOUNT OF REDUCTION |
| TAX CLASS 1               | 1,761         | 3,651          | \$ 207,565,236                   | 142                          | 144           | \$ 1,698,512               | 107                          | 107           | \$ 1,217,174                   |
| TAX CLASS 2               | 28,340        | 182,253        | \$ 110,947,269,616               | 5,029                        | 45,256        | \$ 2,367,703,893           | 4,416                        | 36,126        | \$ 1,977,356,013               |
| TAX CLASS 3               | 140           | 140            | \$ 3,669,876,419                 | 8                            | 8             | \$ 46,197,400              | 8                            | 8             | \$ 46,197,400                  |
| TAX CLASS 4               | 26,780        | 41,944         | \$ 141,196,509,527               | 5,398                        | 8,577         | \$ 3,888,625,046           | 4,462                        | 7,102         | \$ 3,424,863,940               |
| <b>TOTAL</b>              | <b>57,021</b> | <b>227,988</b> | <b>256,021,220,798</b>           | <b>10,577</b>                | <b>53,985</b> | <b>6,304,224,851</b>       | <b>8,993</b>                 | <b>43,343</b> | <b>5,449,634,527</b>           |

**NEW YORK CITY TAX COMMISSION 2019 ANNUAL REPORT**

**REMEDIAL ACTIONS BY TAX COMMISSION ON APPLICATIONS IN 2019 FOR 2018 ASSESSMENTS**

| <b>OFFERS TO REDUCE<br/>2018 ASSESSMENTS</b> |  |   | <b>ACCEPTED OFFERS TO REDUCE<br/>2018 ASSESSMENTS</b> |  |  |
|--|--|---|---|--|--|
| <b>APPLICATIONS</b>                          | <b>COLLECTIVE<br/>AMOUNT OF<br/>ASSESSMENTS AT<br/>ISSUE</b> | <b>COLLECTIVE<br/>AMOUNT OF<br/>ASSESSMENT<br/>REDUCTION OFFERS</b> | <b>APPLICATIONS</b>                                   | <b>COLLECTIVE<br/>AMOUNT OF<br/>ASSESSMENTS<br/>NO LONGER AT ISSUE</b> | <b>COLLECTIVE<br/>AMOUNT OF<br/>ACCEPTED ASSESSMENT<br/>REDUCTION OFFERS</b> |
| 2,666  | \$ 20,169,978,084  | \$ 1,416,636,077  | 2,108   | \$ 16,715,184,810  | \$ 1,158,434,632   |

**NEW YORK CITY TAX COMMISSION 2019 ANNUAL REPORT**

**2019 PRO SE ASSESSMENT APPEALS AND OUTCOMES BY TAX CLASS**

| APPEALS                   |              |              |                                  | CURRENT YEAR OFFERS RECEIVED |            |                            | CURRENT YEAR OFFERS ACCEPTED |            |                                |
|---------------------------|--------------|--------------|----------------------------------|------------------------------|------------|----------------------------|------------------------------|------------|--------------------------------|
| REAL PROPERTY DESIGNATION | APPLICATIONS | TAX LOTS     | COLLECTIVE AMOUNT OF ASSESSMENTS | APPLICATIONS                 | TAX LOTS   | COLLECTIVE AMOUNT OF OFFER | APPLICATIONS                 | TAX LOTS   | COLLECTIVE AMOUNT OF REDUCTION |
| TAX CLASS 1               | 515          | 514          | \$ 30,249,701                    | 109                          | 109        | \$ 949,553                 | 82                           | 82         | \$ 578,247                     |
| TAX CLASS 2               | 248          | 352          | \$ 117,423,264                   | 80                           | 184        | \$ 9,000,718               | 66                           | 170        | \$ 6,977,129                   |
| TAX CLASS 3               | 11           | 11           | \$ 596,138,534                   | 5                            | 5          | \$ 36,127,125              | 5                            | 5          | \$ 36,127,125                  |
| TAX CLASS 4               | 350          | 479          | \$ 1,189,804,491                 | 123                          | 216        | \$ 83,268,415              | 90                           | 145        | \$ 53,255,974                  |
| <b>TOTAL</b>              | <b>1,124</b> | <b>1,356</b> | <b>\$ 1,933,615,990</b>          | <b>317</b>                   | <b>514</b> | <b>\$ 129,345,811</b>      | <b>243</b>                   | <b>402</b> | <b>\$ 96,938,475</b>           |

**NEW YORK CITY TAX COMMISSION 2019 ANNUAL REPORT**

**2019 ASSESSMENT APPEALS AND OUTCOMES - BY PROPERTY TYPE**

| APPEALS                   |               |                |                                  | CURRENT YEAR OFFERS RECEIVED |               |                            | CURRENT YEAR OFFERS ACCEPTED |               |                                |
|---------------------------|---------------|----------------|----------------------------------|------------------------------|---------------|----------------------------|------------------------------|---------------|--------------------------------|
| REAL PROPERTY DESIGNATION | APPLICATIONS  | TAX LOTS       | COLLECTIVE AMOUNT OF ASSESSMENTS | APPLICATIONS                 | TAX LOTS      | COLLECTIVE AMOUNT OF OFFER | APPLICATIONS                 | TAX LOTS      | COLLECTIVE AMOUNT OF REDUCTION |
| <b>TAX CLASS 1</b>        | <b>1,761</b>  | <b>3,651</b>   | <b>\$ 207,565,236</b>            | <b>142</b>                   | <b>144</b>    | <b>\$ 1,698,512</b>        | <b>107</b>                   | <b>107</b>    | <b>\$ 1,217,174</b>            |
| CONDOMINIUMS              | 68            | 1,986          | \$ 40,986,719                    | 16                           | 18            | \$ 115,860                 | 5                            | 5             | \$ 20,476                      |
| 1,2 & 3 FAMILY            | 1,335         | 1,314          | \$ 129,262,890                   | 121                          | 121           | \$ 1,570,492               | 99                           | 99            | \$ 1,188,655                   |
| VACANT LAND               | 168           | 165            | \$ 12,613,167                    | 2                            | 2             | \$ 1,944                   | 2                            | 2             | \$ 1,944                       |
| OTHER                     | 190           | 186            | \$ 24,702,460                    | 3                            | 3             | \$ 10,216                  | 1                            | 1             | \$ 6,099                       |
| <b>TAX CLASS 2</b>        | <b>28,340</b> | <b>182,253</b> | <b>\$ 110,947,269,616</b>        | <b>5,029</b>                 | <b>45,256</b> | <b>\$ 2,367,703,893</b>    | <b>4,416</b>                 | <b>36,126</b> | <b>\$ 1,977,356,013</b>        |
| CONDOMINIUMS              | 2,942         | 156,918        | \$ 30,128,485,573                | 715                          | 40,942        | \$ 788,327,049             | 560                          | 32,270        | \$ 619,871,777                 |
| 2-10 FAMILY               | 4,810         | 4,806          | \$ 2,252,359,631                 | 451                          | 451           | \$ 26,587,589              | 412                          | 412           | \$ 23,327,863                  |
| COOPERATIVES              | 4,117         | 4,106          | \$ 29,069,125,455                | 1,042                        | 1,042         | \$ 596,562,789             | 950                          | 950           | \$ 548,930,540                 |
| RENTAL APTS               | 16,471        | 16,423         | \$ 49,497,298,957                | 2,821                        | 2,821         | \$ 956,226,466             | 2,494                        | 2,494         | \$ 785,225,833                 |
| <b>TAX CLASS 3</b>        | <b>140</b>    | <b>140</b>     | <b>\$ 3,669,876,419</b>          | <b>8</b>                     | <b>8</b>      | <b>\$ 46,197,400</b>       | <b>8</b>                     | <b>8</b>      | <b>\$ 46,197,400</b>           |
| UTILITY PROPERTY          | 140           | 140            | \$ 3,669,876,419                 | 8                            | 8             | \$ 46,197,400              | 8                            | 8             | 46,197,400                     |
| <b>TAX CLASS 4</b>        | <b>26,780</b> | <b>41,944</b>  | <b>\$ 141,196,509,527</b>        | <b>5,398</b>                 | <b>8,577</b>  | <b>\$ 3,888,625,046</b>    | <b>4,462</b>                 | <b>7,102</b>  | <b>\$ 3,424,863,940</b>        |
| CONDOMINIUMS              | 2,985         | 18,450         | \$ 25,729,232,698                | 654                          | 3,833         | \$ 787,150,533             | 478                          | 3,118         | \$ 677,876,248                 |
| OFFICES/LOFTS             | 4,040         | 4,000          | \$ 71,934,423,729                | 907                          | 907           | \$ 1,838,439,353           | 778                          | 778           | \$ 1,728,175,383               |
| STORES                    | 8,930         | 8,775          | \$ 16,294,879,430                | 2,014                        | 2,014         | \$ 641,586,331             | 1,678                        | 1,678         | \$ 505,325,054                 |
| INDUSTRIAL                | 3,930         | 3,914          | \$ 5,206,815,687                 | 872                          | 872           | \$ 98,646,261              | 726                          | 726           | \$ 82,483,885                  |
| HOTELS                    | 790           | 782            | \$ 10,505,923,915                | 105                          | 105           | \$ 178,730,170             | 90                           | 90            | \$ 151,943,970                 |
| VACANT LAND               | 1,137         | 1,121          | \$ 1,045,214,390                 | 63                           | 63            | \$ 10,620,822              | 48                           | 48            | \$ 8,506,223                   |
| OTHER                     | 4,968         | 4,902          | \$ 10,480,019,678                | 783                          | 783           | \$ 333,451,576             | 664                          | 664           | \$ 270,553,177                 |
| <b>TOTAL</b>              | <b>57,021</b> | <b>227,988</b> | <b>\$ 256,021,220,798</b>        | <b>10,577</b>                | <b>53,985</b> | <b>\$ 6,304,224,851</b>    | <b>8,993</b>                 | <b>43,343</b> | <b>\$ 5,449,634,527</b>        |



**NEW YORK CITY TAX COMMISSION 2019 ANNUAL REPORT**

**2019 ASSESSMENT APPEALS AND OUTCOMES – BY REDUCTION % RANGE**

| <b>CURRENT YEAR OFFERS RECEIVED</b> |                     |                 |                                   | <b>CURRENT YEAR OFFERS ACCEPTED</b> |                 |                                       |
|-------------------------------------|---------------------|-----------------|-----------------------------------|-------------------------------------|-----------------|---------------------------------------|
| <b>RANGE OF OFFER %</b>             | <b>APPLICATIONS</b> | <b>TAX LOTS</b> | <b>COLLECTIVE AMOUNT OF OFFER</b> | <b>APPLICATIONS</b>                 | <b>TAX LOTS</b> | <b>COLLECTIVE AMOUNT OF REDUCTION</b> |
| UNDER 10%                           | 5,780               | 37,020          | \$ 2,796,207,820                  | 4,813                               | 29,114          | \$ 2,354,437,558                      |
| 10% - UNDER 20%                     | 3,338               | 13,533          | \$ 2,119,543,396                  | 2,915                               | 11,336          | \$ 1,867,549,653                      |
| 20% - UNDER 30%                     | 1,038               | 2,667           | \$ 908,886,329                    | 895                                 | 2,182           | \$ 821,412,464                        |
| 30% - Above                         | 421                 | 765             | \$ 479,587,306                    | 370                                 | 711             | \$ 406,234,852                        |
| <b>TOTAL</b>                        | <b>10,577</b>       | <b>53,985</b>   | <b>\$ 6,304,224,851</b>           | <b>8,993</b>                        | <b>43,343</b>   | <b>\$ 5,449,634,527</b>               |

**NEW YORK CITY TAX COMMISSION 2019 ANNUAL REPORT**

**2019 ASSESSMENT APPEALS AND OUTCOMES - BY BOROUGH**

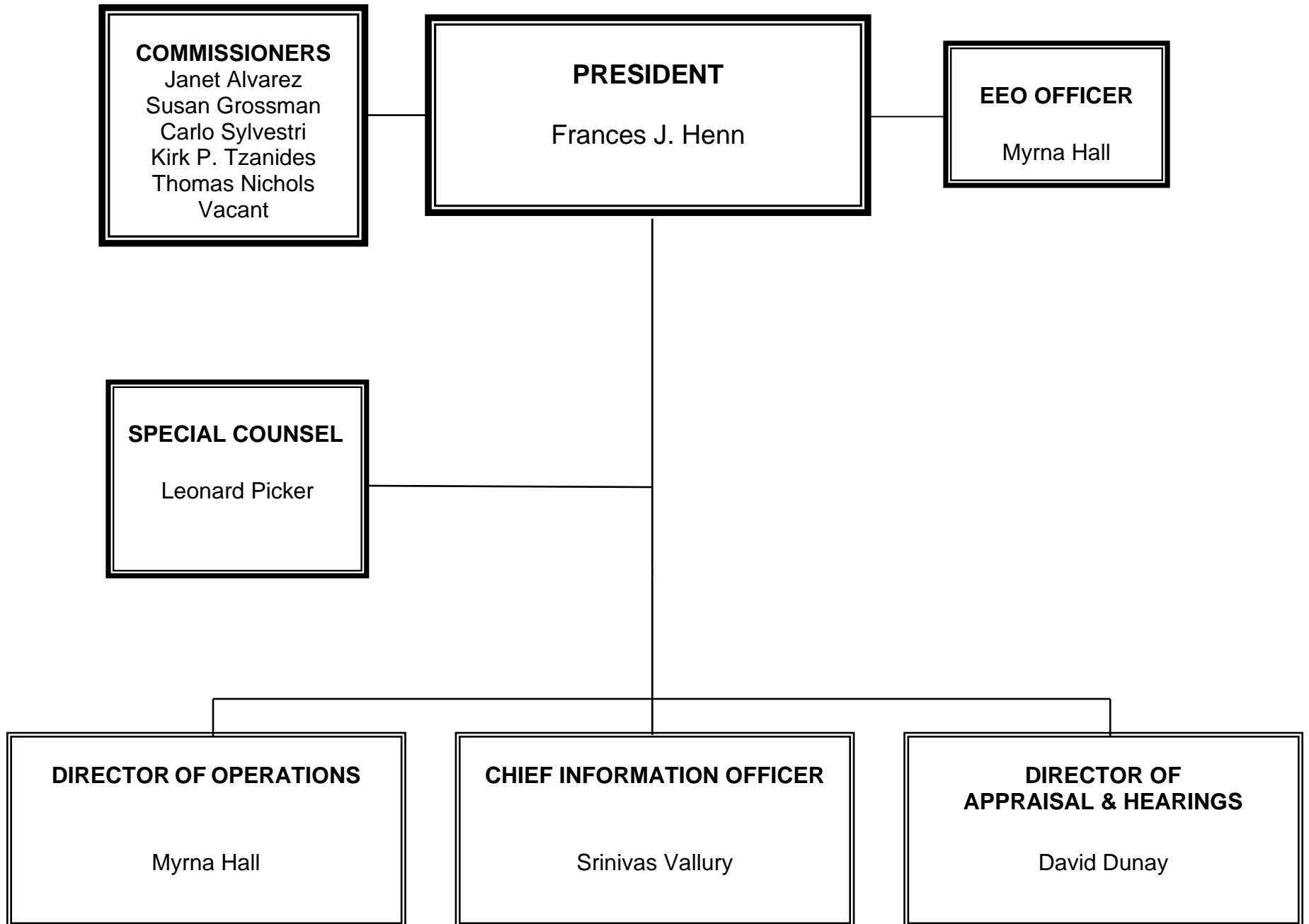
| APPEALS              |               |                |                                  | CURRENT YEAR OFFERS RECEIVED |               |                            | CURRENT YEAR OFFERS ACCEPTED |               |                                |
|----------------------|---------------|----------------|----------------------------------|------------------------------|---------------|----------------------------|------------------------------|---------------|--------------------------------|
| BOROUGH              | APPLICATIONS  | TAX LOTS       | COLLECTIVE AMOUNT OF ASSESSMENTS | APPLICATIONS                 | TAX LOTS      | COLLECTIVE AMOUNT OF OFFER | APPLICATIONS                 | TAX LOTS      | COLLECTIVE AMOUNT OF REDUCTION |
| <b>BRONX</b>         | 6,949         | 20,527         | \$ 10,399,833,670                | 859                          | 978           | \$ 191,254,725             | 729                          | 845           | \$ 155,468,539                 |
| <b>BROOKLYN</b>      | 14,530        | 40,727         | \$ 24,223,609,598                | 2,538                        | 6,423         | \$ 707,357,468             | 2,150                        | 4,900         | \$ 561,401,900                 |
| <b>MANHATTAN</b>     | 22,365        | 130,226        | \$ 194,979,549,988               | 5,009                        | 42,283        | \$ 4,829,202,353           | 4,270                        | 33,888        | \$ 4,257,306,034               |
| <b>QUEENS</b>        | 11,536        | 32,761         | \$ 23,893,885,554                | 1,918                        | 3,952         | \$ 521,575,723             | 1,633                        | 3,403         | \$ 428,083,954                 |
| <b>STATEN ISLAND</b> | 1,641         | 3,747          | \$ 2,524,341,988                 | 253                          | 349           | \$ 54,834,582              | 211                          | 307           | \$ 47,374,100                  |
| <b>TOTAL</b>         | <b>57,021</b> | <b>227,988</b> | <b>\$ 256,021,220,798</b>        | <b>10,577</b>                | <b>53,985</b> | <b>\$ 6,304,224,851</b>    | <b>8,993</b>                 | <b>43,343</b> | <b>\$ 5,449,634,527</b>        |

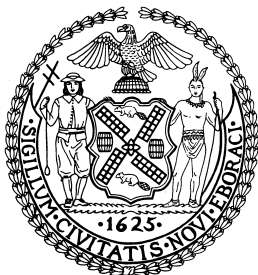
**NEW YORK CITY TAX COMMISSION 2019 ANNUAL REPORT**

**PROCEDURAL DELINEATION OF 2019 ASSESSMENT APPEALS**

|   | <b>APPLICATIONS</b> | <b>TAX LOTS</b> |
|---|---------------------|-----------------|
| <b>NOT ELIGIBLE FOR REVIEW</b>  | <b>5,487</b>        | <b>13,771</b>   |
| LATE FILING   | 25                  | 26              |
| INCOMPLETE FILING   | 701                 | 3,745           |
| REQUIRED DEPT. OF FINANCE INCOME AND EXPENSE STATEMENT ("RPIE") NOT FILED, LATE OR IMPROPER | 653                 | 768             |
| REQUIRED TAX COMMISSION INCOME AND EXPENSE FORM ("TCIE") NOT FILED, LATE OR IMPROPER        | 3,205               | 8,388           |
| UNEXCUSED NON-APPEARANCE BY APPLICANT OR REPRESENTATIVE AT SCHEDULED HEARING                | 110                 | 136             |
| WITHDRAWN BY APPLICANT  | 431                 | 12              |
| OTHER   | 362                 | 696             |
| <b>ELIGIBLE FOR REVIEW</b>  | <b>51,534</b>       | <b>214,217</b>  |
| IN PERSON HEARINGS CONDUCTED  | 29,971              | 173,679         |
| HEARINGS CONDUCTED BY TELEPHONE   | 12                  | 12              |
| REQUIRED FACTUAL SUBSTANTIATION NOT SUBMITTED   | 644                 | 904             |
| SUBSTANTIVE HEARING DECLINED AFTER APPLICATION FILED  | 19,679              | 37,761          |
| REQUESTED REVIEW ON PAPERS  | 1,228               | 1,861           |
| <b>TOTAL</b>  | <b>57,021</b>       | <b>227,988</b>  |

# THE TAX COMMISSION OF THE CITY OF NEW YORK 2019





CITY OF NEW YORK  
Bill de Blasio  
Mayor

TAX COMMISSION  
Frances J. Henn  
President