FINAL REPORT

**of the Joint Task Force
charged with eliminating corruption
in the Real Property Assessment Unit
of the New York City Department of Finance**

ROSE GILL HEARN
Commissioner
NYC Department of Investigation

MARTHA E. STARK
Commissioner
NYC Department of Finance

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I. Executive Summary of Recommendations

The arrests of 18 current and former property assessors in the Department of Finance ("Finance") on February 25, 2002 marked a low point in the history of property valuation in New York City. The bribery committed by these assessors cost the City hundreds of millions of dollars in lost revenue over several decades. Moreover, their betrayal undermined New Yorkers' confidence in the way Finance values property and determines how much tax is owed.

First and foremost, this report, produced by a joint Task Force of the Department of Finance and the Department of Investigation ("DOI"), lays out a comprehensive plan that will greatly reduce the risk of corruption in the valuation of property. This was the Task Force's primary goal. The report also calls on Finance to analyze possible changes to the property tax itself that would alter property valuation in New York City – a process that has been cloaked in secrecy, plagued by subjectivity, bogged down by anachronistic work practices, and layered with so much complexity that almost no one understands how it works. This at least partly explains why bribery could go undetected.

This complexity stems largely from conflicting and complicated State laws. This report lays out administrative and legislative changes to make the property tax simpler and fairer. Building on the Preliminary Report issued in September 2002, the Task Force offers the following changes:

Steps Finance has already taken to eliminate the risk of corruption. These include:

- Limiting assessors' contact with property owners and their representatives;
- Directing owners to submit written questions about their assessments to the Chief Assessor, copying Finance's Internal Audit Unit;
- Establishing stronger management teams within the Property Division;
- Removing the Exemptions Unit, the City Register's Office and the Surveyor's Office from the Property Division so this division can focus exclusively on valuation;
- Instituting random quality control reviews of assessments;
- Assigning assessors' work location based on property type and valuation method, rather than solely on geography;
- Providing all assessors with new computers and increasing the use of technology in the Property Division;
- Requiring all assessors to file financial disclosure reports; and
- Enhancing Finance's Internal Audit Unit and Department Advocate's Unit.

Steps Finance is in the process of taking in the assessment offices to further reduce the risk of corruption and enable assessors to do their jobs better. Finance should:

- Require assessors to value different groups of properties every two to three years;
- Require assessors to attain the same credentials and professional standards required for assessors throughout New York State; and
- Provide ongoing training and equipment to keep assessors technologically current.

To improve the valuation process and also make it more transparent, Finance should:

- Make summary Real Property Income and Expense (RPIE) data provided by commercial owners available to the public so everyone can see how Finance values these properties and owners can hold Finance accountable;
- Require commercial owners to file RPIEs electronically;
- Offer small commercial building owners who are not required to file RPIEs the opportunity to file a simplified "RPIE-EZ" form;
- Change the RPIE filing date to better synchronize with other filing requirements;
- Re-impose penalties for RPIE non-filers;
- Require that owners of utility property file information annually with Finance;
- Consult with experts to gather information for use in establishing capitalization rates;
- Use consistent standards to determine building size measurements;
- Streamline building classifications;
- Make information about how Finance categorizes the income and expense of individual residential buildings available to the public so everyone can see how Finance values these properties;
- Mail tailored Notices of Value to taxpayers in different tax classes, with more information about how Finance valued the property;
- Codify how Finance values property so this process will be implemented consistently and fairly in the future; and
- Propose legislation to authorize the City to revalue property in cases of fraud.

Finance Should Prepare a Report Analyzing Possible Legislative Changes to Make the City's Property Tax Law Simpler, Fairer and Easier to Administer

The report should assess the impact if Finance were to:

- Use a market value standard for all properties, instead of assessed value, to make the system easier to understand;
- Value residential cooperatives and condominiums using the most appropriate appraisal methods, instead of on the basis of comparable income-producing residential buildings; and
- Consider merging the utility and commercial classes.

Finance Should Pursue the Following Changes to Improve the Legal Review Process for Assessments

- The Tax Commission's review of Finance's assessments should be based on whether Finance correctly assessed the property and made accurate factual determinations;
- Authorize the Tax Commission to confirm, decrease or increase assessments as appropriate after reviewing Finance's values;
- Courts should base their determinations on whether the properties were correctly valued by Finance and the Tax Commission; and
- If a future study recommends using a market value standard, then to be consistent, the Tax Commission and Courts should determine corrections based on full market value.

Finance Should Take the Following Technological Steps to Reduce the Risk of Corruption and Bring Valuation into the 21st Century

- Emphasize data collection and analysis using handheld and other advanced computer technologies, as well as statistical modeling, to remove subjectivity;
- Provide assessors with handheld computers to make data collection more efficient and accurate and reduce the opportunity for data manipulation. Handheld computers will also make it easier to monitor assessors' performance in the field;
- Require income and expense information to be filed electronically with Finance and the Tax Commission; and
- Update Finance's computer systems to prevent data tampering and make it easier to perform audits and produce regular reports.

Taken together, these changes will significantly reduce the risk of corruption in the Department of Finance's valuation process by making the way Finance determines values more transparent. These changes when adopted by rule will also make lasting improvements to how Finance values property. If the legislative changes are adopted, the City's property tax structure will be more equitable and easier to administer. Finally, the Task Force believes these changes will make it easier for the public to understand how Finance determines property values, thereby further reducing the risk of corruption by enabling property owners to compare their tax bills with similar properties.

II. Background

Assessors are responsible for determining the market value of the City's real property for tax purposes. Properties are valued annually, with real property taxes levied based on current assessed value. The real property tax is the City's largest single revenue source. For Fiscal Year 2004, Finance determined that the market value of taxable properties in the City of New York is $467 billion. The City plans to levy $12.3 billion in real property tax and anticipates tax revenue of approximately $11.3 billion. This represents 25 percent of the City's $43.6 billion budget and 44 percent of all tax revenues for FY 2004.

A. The Arrests and The Cost to the City

On February 25, 2002, eighteen current or former New York City Tax Assessors employed by the New York City Department of Finance, Property Division, Real Property Assessments Unit were arrested on federal racketeering, bribery and mail fraud charges.[1] A joint investigation by the New York City Department of Investigation, the U.S. Attorney for the Southern District of New York and the Federal Bureau of Investigation revealed that the assessors accepted more than $10 million in bribes over a thirty-five year period to change the assessed values of almost 215 properties as listed in the federal indictment. In sum, 562 properties, including the 215 listed in the indictment, were the subject of a federal search warrant served on Finance. The scheme is estimated to have cost New York City approximately $40 million annually since tax year 1997/1998 and an undetermined amount in previous years.

Immediately following the assessor arrests, Finance took steps to remove the assessors from employment. On the same day the corrupt assessors were arrested, Finance charged them with violating its Employee Code of Conduct and suspended them without pay. Shortly thereafter, the arrested assessors all either retired, resigned, or entered into stipulations agreeing to an indefinite suspension without pay pending the outcome of their criminal charges, with automatic resignation upon conviction. All of the assessors charged have resigned.

To date:

- Seventeen of those arrested have entered guilty pleas to federal charges.
- Sixteen assessors admitted their guilt of accepting bribes as a public official and participating in a conspiracy to receive bribes. Eight of the sixteen also admitted to engaging in a racketeering conspiracy.
- One assessor admitted to accepting gratuities as a public official for money received from the participants in the on-going bribery scheme as a reward for keeping quiet regarding the illegal assessments.
- Thirteen of the assessors have been sentenced, most with terms of imprisonment ranging from four to forty-one months. Restitution in the amount of $160 million - - the estimated loss in tax revenue from just the last four years of the scheme - - was imposed on those already sentenced, with initial payments ranging from $10,000 to

[1] 17 were arrested on 2/25/02. The 18th defendant was contacted 2/25/02 but surrendered the next day.

$100,000. All will be required to pay a minimum of 10 percent of their gross monthly income in restitution after their release from incarceration.

- A former assessor, who then worked as a tax assessment consultant and who was the mastermind behind the scheme, died in January 2003.

The investigation into the corruption continues. Indeed, as recently as June 2003, two other Finance employees were arrested and have entered guilty pleas to federal charges. One employee, an assessor, admitted his guilt of accepting bribes as a public official. The second employee, a former administrator in the property division, admitted accepting gratuities as a public official. Neither has been sentenced yet.

Finance also removed two managing assessors for violating a rule prohibiting assessors from owning property they do not live in. The rule requires assessors to disclose their property interests and seek a waiver, if appropriate. The rule was adopted to avoid the appearance of impropriety and conflict of interest and to allow Finance to manage possible conflicts of interest. Disclosure is important because without it assessors could be responsible for valuing and administering exemptions on their own property. In the case of one of the managing assessors, the individual supervised the work of assessors in the borough where the property was located.

B. Initial Actions Taken in Response to Arrests

In response to the arrests, the Commissioners of DOI and Finance established a Joint Task Force charged with examining the property assessment function at Finance and developing recommendations to reduce the potential for future corruption. Task Force members included key staff from DOI and Finance.

After learning of the corruption scandal, Finance reviewed the values of all 215 properties listed in the federal indictment and the approximate 350 additional properties included in the search warrant. While Finance increased the values and resulting assessments on the Class 4 commercial properties in Spring 2002, by law Finance could not reflect the increased values for Class 2 residential properties until Finance released the tentative assessment roll for Fiscal Year 2004, which began on July 1, 2003.[2]

For the FY04 Final Assessment Roll, Finance recaptured some of the value missed in previous years on these properties. For example, the market value has been increased by more than 20 percent for Class 2 residential properties with more than 10 units. Values on affected small residential properties with between seven and ten units increased by 23 percent. For the larger residential properties, Finance estimates that the assessors under indictment had understated income by about 11 percent and overstated expenses by 7.2 percent. Market values for all of Class 2 properties, by comparison, increased only 3.6 percent on the FY04 Tentative Roll. Finance increased the value for the commercial

[2] Tax Classes are defined in NYS Real Property Tax Law (RPTL) §1802, which defines Tax Class 2 as "all other residential property, which is not designated as Class 1, except hotels and motels and other similar commercial property." Class 1 consists primarily of one, two and three family residential properties and certain vacant land.

properties listed in the indictment by 7.4 percent, or 23 percent above the 4.5 percent overall increase in Class 4 properties on the FY04 roll.

III. Steps Finance Has Already Taken to Eliminate the Risk of Corruption

A. Direct Owners' Questions About Their Assessments to the Chief Assessor

Finance has taken steps to limit direct contact between assessors and property owners, thereby minimizing the risk of corruption. Finance now requires owners and their representatives who wish to discuss their assessment to direct their questions in writing to the Chief Assessor and the Internal Audit Unit.

Finance has issued a Finance Memorandum that clearly outlines this policy and indicates how an owner who wishes to provide new information to Finance must submit this information. This policy has been posted on Finance's website in the Finance Memorandum section.

B. Enhance Finance's Internal Audit Unit and Department Advocate's Unit

An objective and independent internal audit function is crucial for all organizations. Finance's Internal Audit Unit is a strong line of defense against fraud and is positioned to prevent problems or quickly identify improprieties before the situations escalate to become more damaging. The Task Force's preliminary report recommended that Finance expand the current Internal Audit Unit as well as the Department Advocate's Unit. The Department Advocate investigates allegations of employee misconduct and institutes legal proceedings when appropriate. For Internal Audit, Finance hired a Senior Director for Internal Audit and Management Analysis and an Audit Supervisor. Also, Finance has allocated more staffing resources to the Department Advocate's Unit, including an additional attorney and an investigator. Recognizing the importance of this function and the need for independence in conducting agency reviews, the Senior Director for Internal Audit and Management Analysis and the Department Advocate report directly to the Executive Office and are members of the Commissioner's Cabinet. Additionally, copies of all audit reports are sent to DOI.

C. Institute Random Quality Control Reviews of Assessments

Random reviews are necessary to detect potentially fraudulent assessments, and are being conducted by a unit separate from the Valuation Unit.

D. Remove the Exemptions Unit, the City Register's Office and the Surveyor's Office from the Property Division

Finance has restructured and streamlined the Property Division to focus on its core function -- the valuation of real property. Prior to this restructuring, the Exemptions Unit, the City Register's Office and the Surveyor's Office all reported to the head of the Property Division. These three offices are no longer part of the Property Division.

E. Provide More Resources to the Department of Investigation

During FY03, Finance transferred four full-time employees to DOI totaling $170,412 in salary to help DOI investigate allegations of corruption as quickly as possible. The old maxim that an ounce of prevention is worth a pound of cure is as true with respect to combating corruption as it is to fighting disease. The best line of defense against future systemic corruption and its costs is to provide resources so that DOI can do its job efficiently and effectively without diverting resources from other areas. With just $300,000 more each year, DOI could maintain a six-person unit responsible for overseeing a comprehensive anti-corruption program for Finance.

F. Provide Equipment to Keep Assessors Technologically Current

The use of technology has greatly increased in the Property Division. Finance has already provided new computers to all the assessors. Also, assessors are increasingly learning to use electronic tools to assist them in the assessment of property.

In addition to technological improvements already made, Finance is working towards giving assessors access to Geographic Information System (GIS) mapping systems, digital cameras, handheld data collection devices, Global Positioning System (GPS) and electronic tape measures. Enhanced computer systems allow modern Windows-based software to house the data system, Computer Assisted Mass Appraisal (CAMA) and statistical analytical packages.

Also, Finance should consider collecting and storing information electronically. This will make data collection and storage more secure and create an audit trail for assessment communications with Finance. This could be automated by using a property-based bar coding system so that all documents and information related to a property are properly filed and organized and easily retrieved for assessment and audit purposes.

G. Assign Assessors' Work Location Based on Property Type and Valuation Method, Rather Than Solely on Geography

To ensure consistency and accuracy, Finance now assigns assessors based on property type and valuation approach. The public is better served if, for example, the same team of assessors values apartment buildings in a given year. This ensures that apartment building values would be more consistent across the category. Also, assessors are allowed to master the different valuation methodologies. Assessors are assigned one property type for two or three assessment cycles, and then changed to another type. This keeps their skills fresh and their jobs interesting, and minimizes the risk of corruption by preventing assessors from staying in one district for several years.

H. Provide a Strong Management Structure

Management has provided a vision and timeline for accomplishing key tasks in the valuation process. Scheduling workloads is a management issue that requires increased attention. Each month of the assessment calendar is planned to best maximize assessors' time and resources. The Task Force analyzed numerous property distribution methodologies for allocating the assessment workload among assessors and determined that rather than assigning assessors by geographic district, assigning staff according to building type can realize enormous efficiencies. Finance has allocated staff for the recent valuation season as follows:

Commercial& Industrial	Residential	Policy & Review	Models	Physical	Utility & Specialty Property	Total
38-24	28	12	8-12	14	12	136-140

The assessors responsible for valuing commercial, industrial and residential properties will be responsible for valuing an average of 1,200 to 1,500 properties each. In addition, supervisory assessors will also be responsible for valuing some properties. Based on non-supervisory assessors valuing between 12 and 15 properties a day, it should take approximately 16 to 24 weeks to complete assignments. In addition, assessors are assigned to supervise and monitor the modeling of Tax Class 1. The Task Force is confident that the above allocation of assessors provides the necessary resources to fairly and accurately value real estate in New York City. This workload is within the guidelines set by the International Association of Assessing Officers (IAAO).

Valuation and sales reports should be available early in the calendar year, allowing the assessor better knowledge of neighborhood factors prior to getting into the field. Model building and analysis should be done in coordination with field reports, allowing the proposed values to be available when the assessor is in the field.

I. Require All Assessors to File Financial Disclosure Forms with the Department of Investigation and the Conflicts of Interest Board

To avoid any future appearance of impropriety, to ensure that assessors are not valuing properties in which they have a financial stake, to document sources of financial and other assets, and to be able to document why assessors may be living beyond their means, assessors are required to file financial disclosure forms.

In the 2003 New York State legislative session, Finance helped pass legislation to amend the New York State Real Property Tax Law to require assessors throughout New York State to file financial disclosure forms. This was signed into law on September 17, 2003 as Chapter 548 of the Laws of 2003.

This annual filing will indicate ownership interests, and allow Finance to consider instances where certain outside employment restrictions, such as the prohibition on

owning investment property in the City of New York, could be less restrictive. With this legislation enacted, Finance could consider revising its rule prohibiting assessors from owning real estate other than their residence without a waiver, because full financial disclosure will enable Finance to identify and better manage potential conflicts.

IV. Steps Finance is in the Process of Taking in the Assessment Offices to Further Reduce the Risk of Corruption and Enable Assessors to do a Better Job

As a result of technological developments, the assessors' role in the valuation process has changed dramatically. It used to be that assessors had to calculate each assessment for every property. Now a simple spreadsheet can do those calculations in a nanosecond. Assessors used to have to physically visit a property to understand its relationship to nearby properties. Now digital photography, aerial three-dimensional images and computer-assisted design can bring buildings, including building interiors, and neighborhoods to life, as can information already gathered and made publicly available by other City agencies and private firms.

Rather than relying solely on observed information, assessors can utilize good data and multiple regression analysis to strip properties to their base components for comparison. Now, an assessor can carry a lightweight handheld computer stored with all the information that is needed to value a property or to capture details about a neighborhood.

The day when an assessor needed to crunch numbers is gone. The day when an assessor needed to be physically located in a borough to value a property there is no more. Now, the assessor's job is driven by statistics and technology, is more intellectual, and requires skills that allow assessors to determine what makes one property more valuable than another. The job is becoming much more dynamic and exciting. The Task Force recommends that Finance provide assessors with the skills and tools to meet these new challenges.

A. Require Assessors to Attain the Same Professional Credentials and Standards Required Throughout New York State

Training and skill development should be a process continuing throughout an assessor's career. As technology changes, the set of skills required for assessing is constantly evolving. A continuing education program will ensure that the assessors have a base knowledge of assessment and valuation principles that are current and complete, and that they learn new technology that is available in the industry. Supplemental training for assessment managers in supervision, electronic data processing, budgeting, leadership and administration would enhance their performance and improve productivity.

Finance should consider requiring assessors to obtain the certification of State Certified Assessor Advanced following the 2001 rules of New York State. Where appropriate and feasible, Finance should coordinate training and seminars during off-peak periods to enable assessors to develop skills and meet standards. Finance should also consider developing an in-house training program.

Required continuing education has enhanced the prestige and quality of the position in other parts of the state. The State Real Property Tax Law, however, specifically exempts assessors in the City of New York from these requirements. The Task Force recommends that the City, through its local legislative body, be authorized to require that City assessors possess the same credentials and professional standards.

Legislation Required: The Task Force recommends amending the New York State Real Property Tax Law ("RPTL") §334 (1) to provide that in the City of New York, the local legislative body may enact a local law subjecting its assessors to the standards set forth in RPTL § 312. The Task Force had endorsed recent State legislation that would have subjected City assessors to such standards.

B. Use State Assessing Aid to Fund Assessor Training

New York State provides aid to encourage assessing jurisdictions to improve the quality of their assessment administration. A jurisdiction that completes a revaluation or update, including re-inspection and revaluation of all locally assessed parcels, qualifies for "triennial aid" (limited to once in a three-year period). The aid equals the number of separately assessed parcels, excluding fully exempt and state-assessed parcels, multiplied by an amount not to exceed $5.00 per parcel. The City receives this aid, but the total amount is capped at $500,000.

While the limitation applies to all jurisdictions, in practice, only New York City gets limited state aid. Among 998 municipalities statewide, 93 percent have fewer than 10,000 parcels while another five percent have between 10,000 and 30,000 parcels. Only 2 percent of municipalities have more than 30,000 parcels and none approach the City's number of separately assessed parcels (more than 900,000). The result is that the City gets only a fraction of the assistance available to other assessing jurisdictions.

Legislation Required: Section 1573 of the RPTL should be amended to eliminate the cap or increase the cap from $500,000 to $1 million on assessment-related grants. The funds should be dedicated to training and improving the valuation tools available to assessors. The Task Force endorsed State legislation that would have lifted this cap.

V. Steps Finance Will Take to Make the Valuation Process More Transparent

A. Make Summary Real Property Income and Expense (RPIE) Data Provided by Commercial Owners Publicly Available

At the beginning of this process, the Task Force stated that one of its goals was to make the City's valuation process more transparent. In addition, the Task Force wanted to be able to share how Finance valued property and the information that Finance relied on with the public. To value commercial and residential properties, Finance uses the income approach. To determine income and expenses, Finance uses information provided by

owners on the RPIE statements. Finance has been unable to share information on how properties are valued with the public because RPIE information is tax secret.

To achieve the goal of transparency, the Task Force in its Preliminary Report proposed the use of publicly available market data. The most important goal underlying this recommendation, however, was that no matter what source of information Finance used to value properties, that source had to be made available to the public. After conducting extensive public outreach, including meetings with industry representatives, the Task Force has concluded that the goal of transparency can be met by making public portions of the income and expense information submitted by owners. In this way, Finance will achieve the goal of using the most accurate information available to value a property, combined with the notable improvement of allowing that information to be made public.

Owners will have more confidence in their values if they can access data used to value comparable properties. Owners should be able to look at the information Finance used to value their property, as well as information Finance used to value their neighbor's property, and understand whether their value is fair and consistent. To achieve this transparency and accountability, Finance will provide summary RPIE data to the public for each property. Also, Finance will work with the real estate industry, accountants and other knowledgeable parties to develop a form that everyone can understand.

Legislation Required: Administrative Code §11-208.1 should be amended to allow Finance to make this summary RPIE data publicly available.

B. Require Income and Expense Data to be Filed Electronically with Finance and the Tax Commission.

It is important for taxpayers to submit required RPIEs so that Finance has the most accurate information to determine a property's value. Filing an RPIE benefits the taxpayer by affording him or her the opportunity to provide Finance with relevant information that it would not otherwise have available in calculating the property's value. The Task Force believes that more taxpayers should have the opportunity to let Finance know specific information relating to their particular property. Increasing electronic communication between taxpayers and Finance will lead to the most accurate information. Subject to a range of exceptions in statute and by rule, annual RPIEs are generally required to be filed for income producing properties with an assessment of more than $80,000 (market value of $177,778), other than smaller residential properties. For a more detailed explanation of filing requirements, see Appendix F.

Finance should update the RPIE form and filing procedure. The RPIE form itself is entirely a paper form that requires many lines of data entry. It is a difficult and cumbersome form to complete. Once Finance receives a submitted form, it must key-enter the data. This presents the opportunity for data entry errors and improper data entry.

The Task Force believes that given the technology now available, it would be more efficient and more secure for the form to be filed electronically. Several public

participants at the external working group sessions offered this suggestion as well. In addition, where appropriate, Finance should streamline the process so that taxpayers only file the information that Finance needs to value the property.

C. Offer Commercial Building Owners who are Not Required to File RPIE Forms the Opportunity to File a Simplified "RPIE-EZ" Form

To encourage more owners, and particularly owners of lower valued properties, to provide Finance with income and expense information, Finance should develop a shorter, simpler RPIE form targeted to such taxpayers. This will offer these owners a meaningful, efficient way to provide data to Finance for use in valuing their property. By offering all taxpayers the same opportunity to present data to Finance, the process will be more equitable. Taxpayers of lower-valued properties will realize the same benefit from Finance's efforts to make the process more transparent and understandable, as will larger commercial and residential property owners.

D. Require a Commercial Lease Addendum

Currently, a commercial lease addendum is required if (1) the property is primarily nonresidential with one or more leases and a final actual assessment of at least $1 million (market value of $2.2 million); or (2) the property is primarily residential with one or more commercial leases and a final actual assessment of $4 million or more (market value of $8.9 million). Instead filing every year, filers should submit the initial addendum electronically with updates as needed. Every five years, the full form would be filed.

E. Make the RPIE Filing Date More Consistent With Other Filing Dates

The current September 1 filing date bears little relationship to any other significant filing date, which makes it easy to overlook. Finance should change the filing date to June 1.

The Task Force is aware, however, that some commercial taxpayers file their RPIEs based on their fiscal year as they are permitted to do for federal income tax purposes. If the RPIE filing deadline is revised as proposed, these taxpayers may need to have a revised filing date adjusted to reflect their fiscal year filing status for federal tax purposes. Also, an issue exists in that for fiscal year filers, the deadline for filing imposed by Finance and the Tax Commission is not necessarily the same. Finance should consider harmonizing these filing dates.

Legislation Required: Amend NYC Administrative Code § 11-208.1(a) to change the filing date.

F. Impose Penalties for Non-Filing

Under the current system, when an owner fails to file an RPIE, Finance values the property using other means. In addition, Finance has the authority to impose penalties of three to four percent of the assessed value of property. While Finance imposed penalties

when the RPIE law was first adopted in the late 1980s, the Property Division misunderstood the penalty provisions. Rather than focus on non-filers, teams of assessors imposed significant penalties for minor errors on owners who did file. These penalties were regularly challenged in Tax Appeals Tribunal cases

Though owners submit income and expense information under penalties of perjury, assessors often doubt the accuracy of the information that is submitted. Since Finance can simply ignore owner-submitted information that it suspects is fraudulent and value properties using publicly available market information, this result is a significant incentive for owners to submit accurate information. Finance can also compare owner-submitted income and expense data with:

- Corporate and other tax returns;
- State Division of Housing and Community Renewal submissions;
- Tax Commission Income and Expense Statements;
- Income and Expense information submitted to the Law Department; and
- Market information published by real estate sources.

G. Require Annual Filings for Utility Properties

Owners of utility-type property and equipment should be required to provide information to Finance that will enable Finance to accurately value their property. Utility companies, unlike other commercial property owners, are not now required to file annual RPIEs with Finance. To properly value utility property and equipment and to ensure that these values reflect the most accurate and current information, Finance needs regular updates from these companies. For example, on an annual basis, Finance needs information such as new equipment installed; retirements of equipment; upgrades and changes to equipment currently being used; the cost of these changes; the book value of their equipment; and other information about the utility property such as useful life and obsolescence factors.

While certain utility companies already do an excellent job of regularly providing Finance with detailed annual information, others do not. Currently, there is no statutory requirement to file this annual information. Requiring regular updates from utility companies about their property, like all other commercial property owners, will afford Finance the best and most accurate data on which to base their values.

Legislation Required: The Task Force recommends that Finance seek legislation to require this annual filing for utility type property at the time that the RPIE filing is due. Finance should work with industry representatives and others knowledgeable about utility properties to develop a form for these annual filings.

H. Consult with Experts Annually to Gather Information that Finance will Use to Establish Capitalization Rates

Currently, capitalization rates are established by a small group of Finance staff internally. To ensure that Finance gathers all the information needed to properly determine

capitalization rates, it is recommended that prior to setting the rates each year, the Commissioner meet with a group of experts in the field. This group should include participants who are knowledgeable about current factors that could affect the capitalization rates. This would allow Finance to draw from a broad base of experts when establishing capitalization rates and improve the capitalization rates.

I. Use Consistent Information to Measure Building Size

One of the most important things Finance can do to reduce corruption risk is to ensure that building data are correct. The most important information in the valuation process is the property description, especially the size of the building. If Finance has different information about the building size than the property owner, its values will be very difficult to understand. If the misinformation is purposeful, the results could go undetected for a number of years. For example, if comparable buildings in an area are worth $400 per square foot, but an assessor changes a building's size from 1.2 million square feet to 1 million square feet, the building's overall value would be underestimated.

A standardized definition of building size is of paramount importance to the valuation process. Appraisers and assessors must use consistently measured common denominators, such as "per acre" for parcels of vacant land or "per square foot" for office buildings, to produce fair and accurate values. Using consistently measured variables will enable owners to understand how their property value compares to other similarly sized properties of the same type in nearby locations. A commonly agreed upon definition of how buildings will be measured will make values more understandable.

The Task Force learned during its meetings with industry representatives that the most fundamental fact about a building -- its size or square footage – could be described differently for different purposes. Assessors use gross square footage (which includes elevator banks, stairwells and mechanicals) to calculate values because that information is readily available from the Department of Buildings ("Buildings"). However, owners sometimes rely on "usable" square footage, which excludes elevator shafts, heating, ventilation and air-conditioning facilities, and main telephone equipment rooms, while tenants want to know "rentable" square footage, which is how much space will be available for their employees.

1. Commercial Building Measurement Standards

For commercial buildings, the definition of "square footage" should be consistent from year to year and should be the same from the perspective of assessors, owners and renters.

To ensure that all of its information is easily verifiable, Finance will rely on Department of Buildings' gross square footage information. In addition:

a. Finance will develop a consistent definition of "usable square footage" based on the Standard Method for Measuring Floor Area in Office

Buildings.[3] Finance will require that architects certify the "usable square footage" for all buildings;

b. Finance will ask Buildings to require owners to provide certain information helpful to the valuation process to obtain a final certificate of occupancy; and

c. Finance will "lock in" both the gross square footage from Buildings and the agreed-upon "usable" square footage into its computers. No changes will be made to this data unless a physical change (e.g. adding a floor, removing an elevator) is made to the building.

2. Building Size Measurement for Residential Properties

A residential property's square footage -- assuming there is agreement on the definition -- is informative, especially lot size. This information, however, is not the sole or most important variable in determining or comparing residential valuations, especially for the general public. Generally, Finance gives other factors, such as the number of bedrooms and bathrooms for one- and two-family homes, more weight in the valuation process. For multiple dwellings, Finance usually bases building-to-building comparisons on the number of units and the number of rooms and/or bedrooms per unit where available. This is how most people value residential property.

As with commercial properties, Finance will use the Department of Buildings' records for gross square footage and other descriptive property data. Finance will rely on unit count information from the owner and other City sources, including the Department of Housing Preservation and Development (HPD), and will make clear whether the unit count Finance uses will include the superintendent's apartment if there is one. Finance will also do the following:

a. Develop a consistent methodology to measure residential buildings. For example, Finance may rely on a standardized, industry accepted "room count" method;
b. Require owners to provide information about the number of studios and one-, two- and three-bedroom apartments in a building; and
c. Ask Buildings to require owners to provide certain information helpful to the valuation process in order to obtain a final certificate of occupancy.

J. Streamline Building Classifications

Finance's Building Classification system should provide useful information to the parties who rely on it. The current classification system contains more than 200 classifications, some of which are not always relevant to a property's market value. In addition, the

[3] The Standard Method for Measuring Floor Area in Office Buildings, for example, was developed by the Building Owners and Managers Association (BOMA), and is an American National Standard. Originally developed in 1915 the Standard has been revised and readopted throughout the years.

classifications are not always updated regularly. Another concern identified by the Task Force is that there are multiple users of the information. The classifications may not be suited to any user's particular need. By improving this system in a way that makes sense to the general public, taxpayers will understand how their property is viewed relative to similar properties. Building classifications should be streamlined and organized in a manner that facilitates meaningful comparisons. This will also make the process more transparent in that taxpayers will know what properties are being compared to the property that they own. Therefore, Finance will:

1. **Clearly identify the audiences that may need to use building classification information.** Once the audience is identified, Finance will develop and regularly update descriptive classifications that facilitate property comparisons.

2. **Develop classification codes to address the needs of multiple users since the classifications are used for several purposes by a wide range of users (i.e. the real estate industry, the general public or other government agencies).** Most importantly, Finance will ensure that when the general public uses the classification to compare properties, the classification actually fosters a meaningful basis for comparison. (See possible list of building classifications provided in summary form in Appendix G).

K. Make Information About How Finance Categorizes the Income and Expenses of Individual Residential Buildings Available to the Public

Owners and the public should also see the data behind the valuation of residential properties. Since residential leases turn over more frequently than commercial leases, some residential property owners might be placed in a competitive disadvantage if Finance released summary income and expense information. The goal of transparency can be met, however, if Finance shares information about the band within which the income and expenses fall for each residential property. Finance will categorize each property based on income and expense "decile" bands by borough. A sample of the "decile" bands is included in Appendix H. Finance will not make public residential owners' detailed data. Instead, Finance will report on income and expense information based on this decile information.

L. Tailor a Notice of Value for Each Property Type Showing How Finance Valued That Property

Each year Finance sends a Notice of Assessment (now called a Notice of Value) to approximately 952,000 properties pursuant to Charter § 1511. This notice, however, does not provide the information needed for an owner to fully understand how Finance valued their property. By tailoring the information to particular types of property, Finance will be able to provide a notice that will make more sense to the property owner. Specifically, Notices of Value will be tailored to homeowners, cooperatives and condominium owners, owners of residential rental properties, and income-producing properties such as office

buildings. In addition, Finance should develop a notice that describes the valuation process for utility properties.

Appendix I provides a sample tailored Notice of Value for a residential and a commercial property. Finance has already developed a tailored Notice of Value for certain income producing properties, which will be implemented for the upcoming year.

M. Codify the Way Finance Values Property so This Process Will be Implemented Consistently and Fairly in the Future

Finance's property valuation procedures should be codified in either law or by regulation. This will increase taxpayer confidence that the valuation process has a legal basis and will continue to be applied fairly and objectively in the future. It is critical that the public have confidence in the integrity of the assessment process. A well-defined process is the surest way to promote public confidence. The establishment of these laws or rules will enable property owners to readily discern how Finance valued their property. Public awareness is the cornerstone to making the assessment process transparent. These laws will advance public confidence that their properties have been valued in a rational manner that is consistent with applicable laws and rules.

N. Authorize the City to Revalue Property in Cases of Fraud

Currently, Finance is only authorized to review previous assessments where there is a clerical error. This particular grant of authority should be expanded to similarly allow assessing jurisdictions to review past years where there is evidence of fraud. Specifically, legislation is needed to allow Finance to reassess properties going back six years and to recoup taxes lost from the owner of the property, especially if there is reason to believe that the owner may have participated in the fraud.

Legislation Required: Amend the New York City Administrative Code to authorize the Commissioner of Finance to correct for past years any real property assessment that was erroneous due to a crime or fraud related to the assessment. If any additional tax results from a correction, Finance should be authorized to recover the back taxes and interest.

VI. Require a Report Analyzing Possible Legislative Changes to Make the City's Property Tax Law Simpler, Fairer and Easier to Administer

In addition to the changes to the current valuation process, the Task Force believes that the complicated laws governing the City's real property tax assessment system may have made it easier for the corruption to go undetected for so long. Because very few people understand the assessment process, it was easier for corrupt assessors to get away with their illegal activity. One basic source of confusion for many property owners and the public in general is the lack of a clear means of measuring the level of taxes imposed on a parcel. Property taxes are generally expressed as a percentage of assessed value. This can be an artificial gauge, reflecting legal differences in the assessment of various property categories. Most importantly, the legal restrictions create differences in the level of taxes paid by owners of comparable properties. It

would be more appropriate to measure property taxes against a standard, widely understood economic indicator, such as a property's market value. Among other things, this would help foster a more equitable property tax system and allow the public to more easily understand the level of taxes imposed on a property.

The Task Force believes the property tax could be more equitable if property taxes were measured against a common economic standard – the full market value of the property. Market value should replace assessed value as the basis for computing property tax liability. Given that under current law all properties are not taxed at a uniform percentage of their value, this proposal would result in some redistribution of the tax burden among property owners. It would also require changes in the valuation of certain properties that are not, due to legal restrictions, currently valued at their true market value. But the Task Force believes the proposal would likely result in a fairer and more transparent system. In addition, distinctions could still be made in the property tax treatment of different categories of properties through the tax rate structure.

Measuring property taxes against market value would highlight problems in the tax system related to legal constraints that limit the City's ability to value and tax property in a fair and objective manner. Accordingly, the Task Force recommends an analysis examining how the property tax law might be amended to correct these problems. To facilitate this process, Finance should release a statistical report highlighting the equity issues that exist under current law, such as the disparate effective tax rates paid by owners of various types of properties.

When Finance completes the statistical analysis, the Task Force recommends that Finance present these findings in a report that describes the impact if legislative changes were made to:

A. Require a Market Value Standard for all Properties, Rather Than Assessed Value, to Promote Fairness in the Property Tax System and Make The System Easier to Understand

The Task Force believes that the assessed value of all properties in the City should equal market value for tax purposes.

In 1974, when the State court decided Hellerstein v. Town of Islip[4] -- a landmark property tax case -- the judges held that fractional assessments violated the New York State laws requiring that all properties be assessed at market value. Among the concerns expressed by the judges in Hellerstein were that fractional assessments misled some taxpayers into equating larger valuation with a larger tax. Finally, the judges stated that, "assessing at a percentage of value discourages claims of unconstitutional overvaluation..." and left taxpayers with the "far more difficult task of proving comparative inequality."[5]

However, despite the court's warnings, the Legislature legalized fractional assessments for New York City and Nassau County in 1981 when it adopted S.7000A over a gubernatorial veto. Currently, Class 1 homes are valued at 8 percent of value while other

[4] 44 AD 2d 689, 354 NYS 2d 602 (2d Dept 1974), aff'd 37 NY2d 1, 332 NE2d 279, 371 NYS2d 388 (1975).
[5] 37 NY2d at 12.

properties are assessed at 45 percent of value. The system is even more complicated because different procedures and laws apply to properties in the four different tax classes. It would be easier for the public to understand Finance's assessments if they were equal to market value.

Because the laws are so complicated, the property tax field has become dominated by a group of specialists – attorneys, appraisers, and advisers - who are knowledgeable about the law and Finance's procedures and earn their living challenging every aspect of the process. It is clear that taxpayers do not fully understand the process or have confidence that their assessment is legal and equitable. A critical step must be to reduce the many layers of complication -- from fractional assessments to transitions and assessment caps -- and instead rely solely on a full market value standard that will simplify the process and create a more transparent tax structure. At the same time, the underlying concerns the Legislature cited when enacting S.7000-A must be addressed.

The Task Force acknowledges that many taxpayers, particularly owners of small residential properties, mistakenly believe that their taxes are derived directly from the market value of their homes, and not from fractional assessments. Other owners would understandably be concerned by the prospect of paying taxes on market value. Legislation could be proposed to require that the tax rate be lowered to account for higher values that would follow the adoption of the market value standard. For example, instead of a rate of $14 per $100 of a fractional assessed value for homeowners, the rate could be $1.13 per $100 of market value.

Possible Legislation: Amend applicable provisions of the RPTL, including §305, to require that Finance value all property at full (100 percent) market value.

B. Value Residential Cooperatives and Condominiums Using the Most Appropriate Appraisal Method

By State law, Finance must value cooperatives and condominiums as rental buildings, yet in many instances case law holds that these buildings must be valued as if they are subject to rent regulation. Instead Finance could be authorized to use the most appropriate appraisal method to value these properties.

Unlike one, two and three-family homes, whose values are most frequently based on sales prices (their own or comparable properties), Finance cannot use sales prices to value most cooperative and condominium units. Instead, NYS Real Property Law § 339-y and RPTL § 580 require that each condominium unit (plus its share of the common interests) be assessed and taxed as a separate parcel. Nevertheless, the statutes prohibit placing values on the individual units that, when totaled, would exceed the value of the property had the property been assessed as a parcel. RPTL §581[6] (applies to Class 2 cooperative apartments and condominium) requires these properties to be assessed "at a sum not exceeding the assessment which would be

[6] Paragraph (a) of subdivision 1 of section 581 of the RPTL.

placed upon such parcel were the parcel not owned or leased by a cooperative corporation or on a condominium basis." Finally, §581(3) imposes a restriction on the valuation of residential rental buildings. In sum, assessed values cannot be derived from sales prices.

As a result, these assessments are based on an income approach, estimating the "income and expenses" from "comparable" rental multiple dwellings.

1. The Current Method of Valuing Cooperatives and Condominiums is Needlessly Complicated and Difficult to Understand

To illustrate how complicated the laws on valuing cooperatives and condominiums are, the Task Force reviewed the value of a 17-unit cooperative building in Brooklyn with 2,125 shares. Finance values the property as required by law and estimates that the units will rent for $101.65 per share per year. For a one-bedroom apartment with 105 shares, that is $10,673 per year or $890 per month in rent. Finance's market value for this building is $984,000 or $463 per share. Therefore, the one-bedroom apartment's market value is $48,621, which is almost 50 percent less than the $90,000 that the person paid for it in 1984 and 84 percent less than the $300,000 that the unit was refinanced for in 2002.

City policy makers enacted abatements for cooperative and condominium owners to offset what they thought was the disparity in taxes that homeowners and cooperative and condominium owners paid. However, comparing Finance's values for cooperatives and condominiums to the value of homes is like comparing apples to oranges. For example, before calculating the School Tax Relief ("STAR") exemption, the effective tax rate (taxes divided by market value) for a $300,000 home that is assessed at 8 percent of value is $1.13 per $100 of market value, whereas the effective tax rate for the one-bedroom cooperative apartment valued at the same amount described above is $.91 per $100 of market value.

2. Valuing Cooperatives and Condominiums as Rental Properties Artificially Lowers Market Value

There is another problem with the current restrictions on valuing cooperative and condominium units. By requiring Finance to use this method of valuation, the market value of properties is artificially lowered. Due to certain limitations in law, this limits the City's ability to raise money to fund capital projects and to provide vital services to the public.

To meet the Task Force's goal of making the process fairer, more objective, and more transparent for taxpayers, State law could be amended to authorize Finance to value residential cooperative and condominium properties using any of the three approaches to valuation (sales, income or

cost) that best reflect the buildings' values. When the comparative sales approach is most appropriate (as it would be for most properties), Finance could be authorized to use the information available from the real property transfer tax returns or similar information filed by the taxpayer.

The public generally understands sales prices and, therefore, the resulting valuations will be more meaningful to property owners. If, as the Task Force has learned, relevant data may be available to Finance but not readily usable for valuation purposes (incompatible data formats or missing information), the problems could be corrected or reconciled so that valuations reflect the most complete and current information.

Possible Legislation: Amend the State Real Property Law (including §339-y of Article 9-B, Condominium Act) and the RPTL (including §580 and §581) to authorize New York City to value all cooperatives and condominiums using the most appropriate appraisal method.

Where the comparative sales approach is most appropriate, Finance should be able to use sales data available from real property transfer tax returns, just like for one, two and three family homes. Where the income capitalization approach will provide a more accurate value, Finance should be authorized to estimate realistic rental income and expense. This may include, but not be limited to, data from comparable rental buildings, including market rate as well as rent regulated housing. Alternatively, realistic revenue estimates may be based on the parcel's maintenance charges and sales prices for individual units.

C. Consider Merging the Utility and Commercial Property Tax Classes

State law could be amended to simplify the real property tax classification system by using only one commercial class of real property. By State law, the City of New York is required to have four classes of real property, including separate tax classes for commercial and utility property. It would be a much simpler system if all commercial real property, including real property owned by utility corporations, were assessed in a single commercial tax class given the significant changes in the utility industry due to deregulation.

Reducing the number of tax classes in the City from four to three would be a step towards conforming City laws to the rest of New York State, where almost every other county uses only two clearly defined classes – commercial and residential.

Possible Legislation: Amend RPTL to create a single commercial real property tax class that would consist of property previously classified as Class 4 (commercial property) and Class 3 (utility property).

VII. Improve the Legal Review Process for Assessments

A. The Tax Commission's Review of Finance's Assessments Should be Based on Whether Finance Correctly Assessed the Property and Whether Finance Made Accurate Factual Determinations. Tax Commission Reviews are also Needed to Allow Taxpayers to Provide Updated Information.

The Tax Commission should review Finance's values based on whether Finance followed its procedures for valuing property. The Tax Commission should determine whether Finance used the proper methodology to value the property and review Finance's factual determinations. Taxpayers could provide updated information or present evidence as to why the facts that Finance used to value the property should be changed. This review, however, should start with an analysis of Finance's value.

The Tax Commission is an independent City agency legally authorized pursuant to Chapter 7, Section 153 et. seq. of the New York City Charter to review and correct Finance's tentative values. The Tax Commission provides an administrative procedure to contest tentative assessments on the grounds that the assessment is unlawful, misclassified, unequal or excessive. Where the ground for review is that an assessment is excessive or unequal, the Tax Commission requires property owners to file income and expense statements based upon the operation of the property over a specific period of time. This data has generally been more current than the income and expense data available to Finance when the tentative value was made. Thus, for example, if Finance relied on trended income and expense information, more recent actual data could be offered to and reviewed by the Tax Commission, and could result in a reduction. Submission of correct physical data, the explanation of the taxpayer's deviation from industry standards or demonstrating that the methodology used to arrive at the assessed value of the property should have been different could also lead to a reduction of Finance's assessment.

The Tax Commission would base its review upon the comprehensive, property-specific data provided to owners on their Notice of Value, on annual valuation guidelines published on Finance's website and informational newsletters. With this extensive information explaining how specific properties were valued, Finance's assessment would be given greater deference as the determination of the administrative agency with legal responsibility and technical expertise to value real property. The Tax Commission will then only change the value if Finance's value is found to be incorrect based on new facts presented or a showing that Finance's methodology was improper. Therefore the Tax Commission's standard of review will be more consistent with other administrative reviews conducted by the State and City.

B. After Reviewing Finance's Values, Including the Methodology Used and any New Facts Presented, the Tax Commission Should be Permitted to Confirm, Decrease or Increase the Values Determined by Finance.

To make the process more equitable, under certain circumstances, the Tax Commission should be authorized to increase a property's assessed value. Currently, the only change that the Tax Commission is only authorized to make is a reduction. This leads taxpayers to view the system as a "no-lose" proposition and clogs the system with meritless claims.

If the Tax Commission were to be permitted to increase assessed values where warranted and upon notice to taxpayers, the system would be more balanced and fair. The Tax Commission would only be permitted to increase a property's value after providing advance notice of the proposed increase. In addition, the City would assume the burden of proof subject to a high legal standard, such as showing by clear and convincing evidence that the higher value is the correct value. This proposal is similar to the process used in both the U.S. Tax Court and in the review of New York State and City income and corporate taxes. There, a taxpayer protesting a deficiency can face an additional deficiency beyond the amount determined by the taxing authority to be due, provided that the taxing authority assumes the burden of proving the additional deficiency.

Another idea to consider would be to impose a modest fee to recover the cost of providing independent review of assessments as is done in New Jersey, and has been proposed in Nassau County. A sliding scale fee based on the assessed value of the property would ensure adequate funding for the review process, including staff, training and computer enhancements for Tax Commission proceedings.

C. When Courts Review Values Determined by Finance and the Tax Commission, Courts Should Base Their Determinations on Whether the Properties Were Correctly Valued.

Taxpayers may also seek review of their assessments in State court pursuant to Article 7 of the RPTL. A court, like the Tax Commission, should base its determination on whether a property was correctly valued by Finance, and whether the Tax Commission was correct in its review of Finance's value. Courts should not start over with an entirely new assessment prepared by dueling experts. Instead, courts should consider the methodology and facts used by Finance and the additional information submitted to the Tax Commission. This will provide consistency throughout the various stages of the assessment review process. Also, this is more consistent with other administrative reviews conducted by both the State and the City as well as Article 78 of the Civil Practice Law and Rules, which sets the scope of judicial review for determinations of administrative boards, bodies and commissions. Finance and the Law Department will prepare legislation proposing a new standard of judicial review of assessments.

Legislation Required: Amend the rules and laws governing the Tax Commission to (1) establish the standard of review to a standard based on an analysis of Finance's assessment, and (2) permit the increase of assessments, subject to a high legal standard of

review. Courts should also consider the value determined by Finance and the methodology used, as well as the determination of the Tax Commission.

D. Requiring the Tax Commission and the Court to Determine Corrections Based on Full Market Value, not Assessed Value

The Task Force recommended studying a proposal where all properties would be valued at 100 percent of market value. To be consistent, if this were considered and adopted, Tax Commission reviews would also be based on market value, not assessed value.

Currently, local laws relating to the duties and procedures of the Tax Commission (especially City Charter Chapter 7, § 153 et. seq.) make reference to several different terms relating to "assessed valuation." These terms include actual assessed valuation and transition assessment (see, for example, City Charter §164 (b)), made necessary by the provisions of RPTL §1805. Section 1805 (3) requires equalization increases to be phased in over five years for most properties in Class 2 and all properties in Class 4.

If a full market value standard and repeal of assessment increase limitations were adopted, the distinctions would no longer be relevant. Therefore, any determination made by the Tax Commission would be based on market value and the relevant local provisions should be changed to reflect this. Judicial review of the assessments would necessarily have to follow and apply valuation based on full market value. Indeed, currently the Court, after reviewing and considering the appraisals, determines a fair market full value and applies the targeted ratio for the assessed value.

VIII. Technological Improvements to Bring Valuation into the 21st Century

The Task Force is confident that technology can greatly improve Finance's valuation process. Most of the solutions offered by the Task Force's Technology Subcommittee focused on enhancements within Finance's existing systems. There also exists, however, the long-term option of designing a new system that fully utilizes state-of-the-art technology. A new system would offer opportunities to further pursue the goals of transparency, equity, fairness, and objectivity, beyond current capabilities.

Key features of a new system would include capabilities to allow taxpayers to see how Finance valued their property. If taxpayers could see their valuation and the factors Finance used to arrive at that calculation, the process would then be truly transparent. Also, if they could view this information for their neighbor's property or for a comparable property, the taxpayer would have confidence that Finance's valuations were consistent.

The Task Force firmly believes that increased public awareness would greatly reduce improper practices. Taxpayers could simply discover and point out any improper assessments. Assessors who know that their assessments and factors used to derive assessments are readily available for public consumption could not make improper assessments. With new light shining on assessment data, and information readily available to interested parties, assessors would know that improper entries would be readily detected and investigated vigorously.

If Finance moved to a new system, Geographic Information System (GIS) mapping capacity would be a critical component. By laying a GIS foundation and building on it an integrated suite of data management, valuation modeling and assessment administration application tools, Finance could achieve the twin goals of improving the integrity of Finance's assessment process and making it more efficient. This would also offer consistency in City mapping across agencies critical to ensuring accuracy of information and public confidence in City determinations. Finance will conduct a pilot of the GIS system this fall. See Appendix C for summary of technology related research efforts.

IV. Conclusion

With this report, Finance and DOI have taken a bold step toward eliminating the risk of corruption in the valuation of property and turning a complex and secretive process into one that is simpler and easier to understand.

Working closely with the Law Department, the Tax Commission, the City Council and State Legislature, Finance and DOI look forward to implementing the proposals in this report as expeditiously as possible. As part of implementation, Finance will complete a statistical report that will highlight issues resulting from current tax law, such as the disparate effective tax rate paid by different categories of property owners.

The commissioners of both agencies would like to thank Mayor Michael R. Bloomberg for his support of this project, as well as the other contributing agencies. In addition, the input of the many industry representatives who offered their expertise in the ongoing dialogue is much appreciated. Finally, the commissioners would like to thank the many staff members who organized the numerous working groups and meetings, and wrote and edited this report.

Appendix

Appendix A: Summary of the Task Force's Preliminary Report

Issued on September 26, 2002, the Preliminary Report set forth the Task Force's preliminary findings and recommendations. In preparing its Preliminary Report, the Task Force took into account comments from elected officials, industry groups and the media calling for the City to demystify the property assessment process and make it more objective. Accordingly, as in the Preliminary Report, transparency, objectivity, fairness and integrity continue to be the Task Force's overriding goals in its recommendations for improvement. The Preliminary Report established that the Task Force's goal was to publish a final report, including public comments and legislative recommendations. This Final Report accomplishes that goal.

The Preliminary Report contained 35 specific recommendations to ensure that the assessment process is transparent, objective, fair and conducted in a manner that promotes integrity. Of these recommendations, many were identified as being largely within the City's control and, for the most part, steps could readily be taken towards implementation. These proposals were organized into the broader categories of Improving the Quality of Data Used in the Assessment Process; Improving Agency Operations; Improving Oversight and Integrity Controls; Making Better Use of Technology and Improving Public Awareness. The remaining recommendations required external cooperation and/or legislation.

Working to improve the process since the assessor arrests in February 2002, Finance has taken many steps towards implementing the Preliminary Report recommendations identified as being within the City's control. For instance, Finance has redesigned the assessor's work process to greatly reduce opportunities for inappropriate contacts with property owners and their representatives. With respect to a recommendation critical to the goal of transparency, Finance helped pass State legislation in the last legislative session (Chapter 259 of the Laws of 2002) that will make sales data part of the public record. Finance's technology staff has enhanced the security of the computer system used for assessment, thereby improving oversight integrity and controls, as recommended in the Preliminary Report.

Appendix B: Summary of Legislative Hearings

On March 21, 2002, Commissioner Stark testified before the Real Property Taxation Committee of the New York State Assembly. The Commissioner described the steps that had been taken at Finance since the February 25, 2002 arrests and emphasized that Finance will work tirelessly to regain the public's trust in the integrity of the assessment process.

Approximately 10 months later, on December 11, 2002, Commissioner Stark testified before the New York City Council Committee on Finance. At that hearing, Commissioner Stark explained that the goal of the reform proposals can be summed up as follows: "We are going to turn an incredibly secretive, subjective and complicated process into one that is transparent, objective and easy to understand. By doing so, we will greatly minimize the risk of corruption and restore New Yorkers' confidence in the process by which we value the City's property."[7]

The Commissioner emphasized that Finance's top priority, aside from minimizing the risk of corruption, is to ensure that the public can easily understand and monitor the way Finance values properties. If a taxpayer disagrees with Finance's values, that taxpayer can cite the data that is made available to every owner to prove their case. Commissioner Stark further explained that one reason this cannot happen now is that assessors rely on secret information submitted by property owners. She further testified that if Finance is going to continue to use Real Property Income and Expense (RPIE) data, it must be made public. Setting forth the elements key to reform, the Commissioner highlighted the need for Finance to make data public, as transparency is the key to assessment reform. New Yorkers need to understand the conflicting and complex laws governing the property tax.

Commissioner Stark also outlined for the Council the steps Finance had already taken to change the way assessors work and to improve assessor oversight. Such steps included beginning random reviews of assessments and expanding the Internal Audit Unit and the Advocate's Office. Future steps identified by the Commissioner included updating assessor computer systems, working with the assessors' union to ensure that the assessors have the tools they need to do their jobs, and seeking legislative changes to make the assessment system and review process fairer and easier to understand.

[7] Prepared Testimony of Finance Commissioner Martha E. Stark on Property Assessment Reform, before the City Council Committee on Finance, December 11, 2002, p. 2.

Appendix C: Summary of Post-Preliminary Report Working Group Process

In the Preliminary Report, the Task Force stated it would spend the months following the issuance of the report discussing the recommendations with the assessors' union, property owners, tenants, the legal community, elected officials, other government agencies and private citizens, who are the ultimate stakeholders in this process. To gain this valuable public input, the Task Force began a process of significant external outreach. The various working sessions are described below. This Appendix also contains an alphabetized list of all the people who attended a Task Force working session.

1. External Expert Discussion Sessions

Finance hosted two working group discussion sessions on December 3 and December 16, 2002 with experts and professionals in a wide range of fields including taxation and finance, appraisal, technology, academia and law. At these sessions, the Task Force solicited comments and feedback on the various Preliminary Report recommendations and heard additional ideas for improvements. These were in-depth working sessions that lasted approximately three hours each.

Constituting a diverse group with expertise in a broad range of areas, the external participants held varying viewpoints and perspectives. Some of the participants were professors, while others were attorneys specializing in the field of real property tax. Other participants represented organizations such as a taxpayers' group and various property owners' associations. Still others were knowledgeable in the field of real estate appraisal and City real property taxation. Former Finance employees and a former Finance Commissioner also provided comments and insights on the various proposals. Representatives from the Independent Budget Office and the New York City Council attended the sessions as well.

Topics discussed included substantive issues such as the use of market data compared to data provided by owners and the development of capitalization rates and property classifications. Procedural issues discussed included technology topics, such as improving taxpayers' understanding of the process, and managerial and organizational issues including assessor work processes and field-time accountability. Structural issues requiring legislative changes to the legal framework of the assessment and appeals processes were also discussed. The Task Force carefully considered these comments in preparing this Final Report.

2. Real Estate Industry Working Sessions

The Task Force also conducted a series of meetings with real estate industry professionals to discuss the preliminary report proposals. Working sessions were held on both commercial and residential assessment reform. The Preliminary Report specifically recommended that the Task Force work with the real estate industry to improve the City's building classification system. Accordingly, a working session was also held on the topic of building classifications.

3. Real Estate Technology Experts

A meeting with technology experts was held at the Center for the Analysis and Research of Spatial Information (CARSI) at Hunter College on January 10, 2003. At this working session, Task Force members and Finance staff met with academics and representatives of private sector organizations experienced in working with digitizing City tax maps and other technological enhancements such as handheld computerized assessment tools. The Task Force was informed of an internet-based assessment system now used to value and review residential property in parts of Colorado and Wisconsin.

At the Hunter College meeting, Task Force members also saw a demonstration of NYCMAP, a full digital, multi-layered map of the City of New York. The map contains approximately 4,000 aerial photos that are put together to form a single digital map. The Center has developed a detailed system to keep the map updated and maintained, including periodically flying planes over the city and working with the Department of Buildings regularly to identify changes. Search features allow users to find particular locations by various criteria such as street address or borough, block and lot (BBL). The map had several layers, including BBLs, building identification numbers, and photographs, and can be modeled for various geographic events. Additionally, Task Force members saw a demonstration of a handheld device that could be beneficial in the assessment process. This technology was presented to the City Council during Finance's budget hearing on May 27, 2003.

4. NYS Office of Real Property Services Real Property Assessment System

On January 28, 2003, representatives from the New York State Office of Real Property Services (ORPS) met with Finance Property, MIS and Tax Policy staff and other Task Force members to demonstrate and discuss a relational database system that is used to manage the assessment process in other parts of the State. The ORPS system is a Windows-based, user-friendly system that offers a full range of assessment-related features including exemption administration, valuation and GIS mapping functionality.

5. Technology Subcommittee

Following the issuance of the Preliminary Report, a Task Force Subcommittee on Technology was formed to review, evaluate and recommend technological solutions for all the technology-based recommendations and issues identified in the Preliminary Report. The Technology Subcommittee was comprised of representatives from DOI, the Department of Information Technology & Telecommunications (DoITT) and Finance divisions including Tax Policy, Information Systems Services, Property Division, Legal Affairs, Office of Technology Solutions and the Commissioner's Executive Office. A series of working sessions were conducted to thoroughly review the technology issues.

6. Labor-Related Outreach

The Preliminary Report stated that the Task Force should set an agenda for Labor/Management Cooperation. Finance wanted to ensure that the assessors' union had a full opportunity to

comment on the Preliminary Report. The Task Force set up meetings to discuss Preliminary Report proposals affecting labor from both a labor and a management perspective. On November 25, 2002, the Task Force hosted a meeting with a group that included management representatives to discuss the proposals. On January 9, 2003, the Task Force and management representatives met with DC37 and Local 1757 and these discussions have continued throughout this process. The Task Force will continue to meet with the assessors' union, as needed, to discuss Report proposals or any other issues that may require further conversations.

7. Law Department and Tax Commission

To conduct a full review of the proposals in the preliminary report, the Task Force met with representatives from the City's Law Department and the Tax Commission to hear comments and feedback on the proposals contained in the Preliminary Report.

8. Cole Layer Trumble CAMA System Proposals

On September 16, 2002, Cole Layer Trumble (CLT), the private company that Finance hired to develop and maintain the Computer Assisted Mass Appraisal (CAMA) system, met with Finance Task Force representatives to discuss possible enhancements to CAMA. On October 16, 2002, CLT submitted a proposal to Finance to enhance the services they now provide under contract to Finance. This proposal, which was developed largely in response to the CAMA related proposals in the Task Force's Preliminary Report, specifically addressed 19 Preliminary Report recommendations. The proposal encompassed the topics of planning and organizational issues, control process review (including review of existing assessment control procedures and new assessment control procedures), the development of a "watchdog" website that would make property-related data and values available to the public, and finally, the issue of management changes and the provision of ongoing services.

9. AMS *Pro Bono* Review of the City's Real Property Computer Systems

On a *pro bono* basis, management consultants American Management Systems (AMS) undertook a complex review of the City's Real Property Computer Systems. AMS issued a comprehensive and extremely helpful report to Finance on September 18, 2002. AMS found that five general themes emerged that define the goals of the system: (1) assessments must be consistent; (2) the assessment process must be transparent; (3) the process must be honest; (4) data must be available and accurate, with both Finance and the public being able to access relevant data in usable formats; and (5) process changes must be cost effective. Three potential strategies were identified to modify the system with pros and cons for each option. The three options were (1) the complete replacement of existing systems; (2) upgrading the current CAMA system; and (3) making select enhancements to existing systems and business processes.

Appendix D: Approaches to Determining Market Value

Enabling the public to understand how Finance values property and making that process more transparent is key to improving the assessment process. This section will provide a brief explanation and overview of the general methods used to value property.

There are three general methods of determining property values – the market (or comparable sales) approach, the cost approach, and the income capitalization method. Theoretically, all of the approaches may be utilized to determine a property's market value. One approach, however, may be more appropriate than the others. Furthermore, when assessing for taxation purposes, State law (statutory and case law) may require the use of one method over the others for particular types of properties.

The public needs to understand exactly what Finance is trying to measure when it values property. Market value is generally defined as the most probable price that a property should sell for in a competitive and open market under all conditions essential to a fair sale: the buyer and seller, each acting prudently and knowledgeably and assuming the price is not affected by undue factors. Unless dictated otherwise by state law, it is the assessor's responsibility to estimate "market value" as of a fixed taxable status date and establish an assessed value for purposes of real property taxation.

1. Data

Data affects property values. Economic data helps explain why similarly constructed properties in different neighborhoods and areas sell for different prices. Property type such as whether a house is attached or detached may also affect values. Finance needs to collect, capture and analyze a wide range of data to value properties. These general economic variables include (but are not limited to):

- Population growth or decline; direction of change; age distribution
- Family formation
- Patterns of land use
- Availability of vacant land
- Zoning
- Amount of new construction or rehabilitation
- Employment/unemployment levels of residents
- Family income/prevalent wage levels
- Ownership-tenancy ratio
- Turnover and vacancy (occupancy of property)
- Price and rent levels
- Lender attitudes and policies; mortgage rates
- Foreclosure rate
- Utility costs
- Transportation availability and costs
- Business formations and failures
- Turnover rate

2. Sales or Market Approach

The sales approach assumes that a buyer would pay no more for a property than the cost of acquiring a similar existing property with the same utility or function. Thus, the market or sales comparison approach is a process of analyzing sales of similar, recently sold properties in order to determine the most probable sales price of the property to be valued. The approach is most useful and reliable when there are a large number of sales of properties comparable to the property being valued; there is a high degree of comparability between the property and those properties that sold; and data concerning the properties and the sales can be verified. The approach is used most often to value small (one to three-family) owner-occupied residential properties. Examples of economic data needed for the market approach include:

- Sales prices
- Dates of sales (to make adjustments between date of each sale and date of valuation)

3. Cost Approach

The cost approach is based on the theory of substitution – that is, a knowledgeable buyer would pay no more than the cost of producing a substitute property with the same utility or function. Within this approach, the value can be estimated by either determining the cost of reproducing the existing structure or the cost of replacing the existing structure with a structure that provides the same function but is constructed with more modern materials or layout, etc. In either case, depreciation (accounting for functional, economic and physical obsolescence) must be subtracted from the reproduction or replacement cost to value the improvement. An estimate of the land value must be added to complete the assessment. The cost approach is generally used for specialty properties, including utility properties. Examples of economic data necessary for the cost approach analysis include:

- Cost manuals to analyze the cost of reproducing the same structure or replacing the structure with substitute materials
- Depreciation schedules
- Historical costs
- Update factors

4. Income Capitalization

Income capitalization determines the value of property based on the income that can be generated by renting it. This is generally used for income-producing properties that are, or will be, rented or leased in the market. Assessments are most often done by Direct Capitalization Method, which uses one year of income and converts it to a value using a capitalization rate derived from the market place. Finance's capitalization rates are based on the "Ellwood" method.

Market value is calculated based on the "current use" of a property, which is not always a property's "highest and best use." There are several methods for determining market value, depending upon the amount of information that is available. For example, gross rent or income

may be multiplied by a factor derived from comparable properties to produce a market value when operating expenses are not known. When operating expenses can be estimated, then net operating income (gross income less operating expenses) can be divided by an appropriate discount or capitalization rate to determine market value. A capitalization rate or gross rent/income multiplier can be derived directly from sales data of comparable properties. One major difference in the methodology used for property appraisal and the method used for real property tax assessment purposes is the use of an effective tax in the capitalization rate. Assessors use the effective tax rate as part of the capitalization rate to estimate taxes. In contrast, appraisers expense taxes. Examples of economic data necessary for analysis includes:

- Economic income or rent
- Vacancy rate
- Collection allowances
- Operating expenses
- Discount rates
- Mortgage rates
- Recapture rates
- Effective property tax rate
- Equity Rate

Appendix E: State Assessor Education and Training Requirements

1. Education and Experience Requirements

According to the NYS Office of Real Property Tax Services' Rules for Real Property Tax Administration, assessors must have the following levels of education and experience:

- Graduation from high school or possession of an accredited high school equivalency diploma; and 2 years of satisfactory full-time paid experience in an occupation involving the valuation of real property, such as an appraiser or an assessor.

- Substitute credentials include:
  - graduation from an accredited 2-year college and one year of experience
  - graduation from an accredited 4-year college and six months of experience

24 hours of continuing education credits are required each year

2. Additional Training

Assessors must complete a basic course of training, which includes the following components:

a. Assessment Administration
b. Fundamentals of Data Collection
c. Introduction to Real Estate Appraisal
d. Valuation Principles and Procedures
e. Fundamentals of Exemption Administration
f. Introduction to Income Property Valuation
g. Introduction to Mass Appraisal

3. State Certified Assessor Advanced

To receive further certification as a State Certified Assessor Advanced, an assessor must be certified under 2001 State rules and then additional training is required. Three courses must be completed with an exam. Proof of a passing grade must be submitted to the State.

- **Institute of Assessing Officers (IAO) Course:** Methodologies and Assessment Techniques

- **International Association of Assessing Officers (IAAO) Courses**: Appraisal of Land, Industrial Property Appraisal, Applications of Mass Appraisal Fundamentals, Residential Modeling Concepts, Multiple Regression Analysis, Application of Residential Modeling Concepts, Tax Policy

- **NYS Department of State Approved Courses**: Applied Residential Property Valuation, Principles of Income Property Appraising, Applied Income Property Valuation

Appendix F: RPIE Filing Requirements

Under NYC Code § 11-208.1, income-producing properties are required to file an RPIE. The major categories of income-producing properties include rental properties, cooperatives, business operating properties and net-leased properties. Properties with a final assessed valuation of $80,000 or less are not required to file.

Certain properties are exempt from filing requirements under New York City Administrative Code § 11-208.1. These include:

(1) residential property containing ten or fewer dwelling units; and
(2) property classified in Class one or two as defined in article eighteen of the Real Property Tax Law containing six or fewer dwelling units and one retail store.

In addition, the following properties do not have to file income and expense statements (see 19 RCNY § 33-01 of Finance's rules):

(1) residential or commercial properties completely owner-occupied except:

a) department stores with 10,000 square feet of floor area or more;
b) hotels and motels;
c) parking garages and parking lots open to the public;
d) power plants providing electricity for sale; and
e) theaters and cinemas;

(2) property which is fully exempt from real property taxation;
(3) exclusively residential property held in cooperative or condominium form;
(4) property classified in Class 3 as defined in § 1802 of the RPTL (utility property); and
(5) property that does not generate income (e.g., abandoned or uninhabitable property).

Appendix G: Building Classifications

The NYS Office of Real Property Services has developed a uniform classification system for assessing real property in New York State. There are nine broad categories. Each category is also subdivided into more specific classifications.

A more complete list of these classifications is available on the website of the NYS Office of Real Property Services (www.orps.state.ny.us).

- 200 (Residential) Property used for human habitation.
- 300 (Vacant) Property not in use, in temporary use, or lacks permanent improvement.
- 400 (Commercial) Property used for the sale of goods and/or services. Includes living accommodations such as hotels, motels, and apartments.
- 500 (Recreation & Entertainment) Property used by groups for recreation, amusement or entertainment.
- 600 (Community Services) Property used for the well being of the community.
- 700 (Industrial) Property used for the production and fabrication of durable and nondurable man-made goods.
- 800 (Public Services) Property used to provide services to the general public.

Appendix H: Residential Income and Expense Bands

The following table sets forth examples of income and expense ranges for certain residential properties. A property's range of income and range of expenses would be identified by the appropriate band number. This would offer the public an indication of approximately where the income and expense levels for a particular property fell. By identifying and making public a property's range of income and expense, the values that Finance assigns to such properties would be easier for other owners and the general public to understand.

Decile Band	*Income Per Apt/Per Month Decile Band:*	*Expenses Per Apt/Per Month Decile Band:*
1	Under $443	Under $220
2	$444 to $514	$221 to $259
3	$515 to $566	$260 to $284
4	$567 to $614	$285 to $306
5	$615 to $668	$307 to $327
6	$669 to $734	$328 to $351
7	$734 to $832	$352 to $381
8	$833 to $1,001	$382 to $426
9	$1,002 to $1,319	$427 to $510
10	More than $1,320	More than $511

For example, based on this table, an apartment building with an income of $500 per apartment per month and expenses of $300 per apartment per month would be identified to the public as a building that reported income in band 2 between $444 and $514 per apartment and expenses in band 4 between $285 and $306 per apartment.

Appendix I: Notice of Value (Flack Notice) Information

Each year the Department of Finance sends out notices of assessed value to allow owners to see their property's value for tax purposes for the upcoming tax year. Finance's goal is to tailor this notice so that each property owner will receive a notice that explains how their property was valued, including providing the particular methodology and information used to arrive at the estimated value. The information provided on the notice will differ depending on the method used to value a given property. The following are samples of the notices we will provide, one example for a residential property valued by the sales approach and another example for an income producing property valued based on information that was provided to Finance on a RPIE.

1. Single Family Homeowners

This sample notice is for a Class 1 home in Queens that was purchased in 1994 for $200,000. The underlined information would be different for each property based on data fields. The fields would be completed based on the data that Finance actually used to value that particular property. The goal is to provide homeowners with enough information so that they can fully understand how Finance arrived at their value and determine whether they agree with this value or wish to contest the value before the Tax Commission. This notice assumes that we still have to value property at a percentage of value.

Notice of Value

Property: Borough 4, Block 12345, Lot 67 ***Address***: 123-45 6th Avenue

Tax Class: 1 ***Building Class*** Single-family home

	Current Tax Year	Change	Tax Year 2005
Market Value			
Assessed Value (AV)			
Exemptions			
Taxable Value			

Market Value:

- Finance estimates that for the Fiscal Year beginning July 1, 2004, your property's market value is $300,000.

Factors Used By Finance to Determine Market Value of Your Property For Property Tax Purposes:

- Finance valued your property using the sales approach.
- Finance estimated this market value by using the price you paid for your property on June 3, 1994. Our records show that this price was $200,000.
- We estimate that the value of property has increased by 50% since 1994.

Assessed Value: Using an assessment ratio of 8%, which is the ratio Finance is using for the upcoming year for Class 1 properties, the property's AV is $24,000. The following exemptions/abatements were applied to your property: STAR in the amount of $___. The tax rate, which will be set as part of the budget process for the fiscal year starting July 1, 2004 will be applied to this assessed value, less any applicable exemptions or abatements.

If you wish to challenge this assessed value, you must apply to the Tax Commission by ____. If any of the information describing this property is incorrect, please check our website for information on how to submit updated information.

2. Commercial and Apartment Property Valued by the Income Approach

This notice is for property valued using the income approach. Finance will provide a notice tailored to the method that Finance used to value the particular property. This will provide owners with enough information to fully understand how Finance determined their value including the estimated income and expenses. Here is a sample of the Notice of Value for an income producing property where the owner filed an RPIE:

NOTICE OF VALUE

(Space for mailing label)

Property Address:
Borough:
Block: Lot:
Tax Class:
Units: __ Residential __ Non-residential

	Current Tax Year	*Change*	*Tax Year 2004/05*
Market Value =			
Actual Assessed Value =			
Actual Exemption Value =			
Transitional Assessed Value =			
Transitional Exemption Value =			
Taxable Value =			
Exemption =			

*The above values for the current tax year do not reflect remissions or other adjustments granted to the parcel after the publication of the final assessment roll last May.

Assessed Value: This year, Finance multiplied your market value by an assessment ratio of __% in order to determine your assessed value.

Taxable Value: Your taxable value is based on the transitional assessed value reduced by any applicable exemptions.

If you wish to challenge this assessed value, you must apply to the Tax Commission by March 1, 2004.

FOR DETAILED INFORMATION ON HOW FINANCE VALUED THIS PARTICULAR PROPERTY, PLEASE SEE THE BACK OF THIS FORM →

DETAILED VALUE INFORMATION (page 2)

Property Address:	*Borough*:
	Block: *Lot:*

Building Class: R4 Condominium

Market Value:

- The Department of Finance estimates that for the Fiscal Year beginning July 1, 2004, the market value for this property is $99,999,999,999.
- Your value was estimated using the income approach.

Factors Used by Finance to Determine Market Value:

- We estimated your gross income as $99,999,999,999.
- We estimated your expenses as $99,999,999,999.
- Estimated expenses were subtracted from your estimated gross income, resulting in a net operating income of $99,999,999,999.
- We used a base capitalization rate of 99.00% which is our estimate of the rate of return that an ordinary investor would expect on their investment in this type of property.
- We added an effective tax rate of 99% to account for taxes due. Added together your overall capitalization rate is 99%.

Your market value was derived by dividing your net operating income by the overall capitalization rate.

Appendix J: External Meeting Attendees

The following is a list of the attendees of the various meetings, working groups and subcommittees:

Adams, Chris, Department of Investigation
Ahern, Sean, Professor, CARSI, Hunter College
Altman, Stan, Dean, School of Public Affairs, Baruch College
Arcuri, Anthony, Vice-President, Local 1757
Askew, Katherine, CB Richard Ellis
Banfield, Bill, Podell Schwartz
Boxer, Leonard, Stroock & Stroock
Brewer, Jean, Office of Labor Relations
Brodsky, Daniel, The Brodsky Organization
Brooks, Nola R., DC37
Caras, Jim, NYC Council Finance
Corinotis, Alison, Office of Labor Relations
Coto, Hector, DC37
Delmonte, James, Cushman and Wakefield
Ditchik, Alan, Ditchik & Ditchik
Dorego, Charles, Glenwood Management
Dumain, Rita, NYC Law Department
Dunn, Lisa, Newmark & Co.
Durst, Douglas, The Durst Org.
Elghanayan, Tom, Rockrose Development Corp.
Felton, Nadine, NYC Council Finance
Freund, Jack, RSA
Fucheck, Greg, LinksPoint
Godiner, Ken, NYC Office of Management and Budget
Goldstein, David, Stroock & Stroock
Green, Stephen, S.L. Green
Greenbaum, David, Vornado Realty
Gural, Jeff, Newmark & Co.
Haims, Jerome, AAIMS Realty
Heym, Greg, Real Estate Board of New York (REBNY)
Ippolito, Michael, LinksPoint
Joseph, Matthew, Local 1757
Karp, Martin, Chair, Action Committee for Reasonable Real Estate Taxes
LaPorte, Nick, Executive Director, Associated Builders & Owners of Greater New York
Layne, Doug
Leidner, Alan, NYC Department of Information, Technology & Telecommunications (DoITT)
Litwin, Leonard, Glenwood Management
Marks, Steven, S.L Green
McNeil, Katherine, LaSalle

Appendix J: External Meeting Attendees, continued

Moog, David, President, Local 1757
Newman, Glenn, President, NYC Tax Commission
O'Cleireacain, Carol, Brookings Institute
Picker, Lenny, Department of Investigation
Rephen, Paul, Law Department
Resnick, Burton, Jack Resnick & Sons
Reynolds, Karen, Department of Investigation
Rheingrover, Jim, Former DOF employee
Riccio, Lisa, DC37
Robbins, Michael, The TAUREAN Group
Rothman, Mary Ann, Executive Director, Council of New York Cooperatives
Rotter, Steve, Jack Resnick and Sons
Sammons, Robert, Colliers ABR
Sass, Robert
Schneider, Reed, Counsel, Tax Commission
Schupper, Izzy, Metropolitan Council on Jewish Poverty
Sherman, Isaac, President, Sherman Gordon, P.C.
Shernicoff, Mark B., Council of NY Cooperatives & Condominiums
Shultz, Sherry, DCAS
Singer, Andrew, Rockrose Development Corp.
Slattery, Jim, Cullen & Dykman
Slattery, Michael, REBNY
Spinola, Steve, REBNY
Stein, Justin, Grubb and Ellis
Steinberg, Richard, R.E., Tax Review Bar
Stewart, Mark, Studley
Strasburg, Joseph, Rent Stabilization
Sweeting, George, Deputy Director, NYC Independent Budget Office
Tener, Terence, KTR Newmark
Tener, Thomas, KTR Newmark
Thomas, Katy, LinksPoint
Tsao, Cheng, NYC Council, Councilmanic Aide
Varga, Sue, Insignia/ESG
Von Aecken, Robert
Weiser, Jay
Weprin, Honorable David, Councilman
Wise, David, Attorney
Yates, Richard, Office of Labor Relations