



New York City Council
Committee on Finance Hearing
New York City Department of Finance

**Testimony of Michael Hyman
First Deputy Commissioner**

September 17, 2019

Good morning, Chair Dromm and members of the Committee on Finance. I am Michael Hyman, First Deputy Commissioner at the New York City Department of Finance. I am joined by Leslie Zimmerman, Assistant Commissioner for Payment Operations and Sheelah Feinberg, Director of Intergovernmental Affairs.

DOF's mission is to administer the tax and revenue laws of the City fairly, efficiently, and transparently to instill public confidence and encourage compliance while providing exceptional customer service. This package of bills is in alignment with our mission, and we appreciate the Council's desire to help us improve our service and provide more New Yorkers with the support and the benefits they need.

We would like to discuss opportunities to achieve some of the bills' objectives by building on recent DOF initiatives, including the launch of DOF's new property tax system and the expansion of its customer relationship management program. These initiatives have helped us do a better job serving the hundreds of thousands of homeowners, entrepreneurs, motorists, and others who interact with our agency. We welcome the opportunity to work with the Council to refine these bills and leverage existing customer service programs and initiatives at the Department of Finance.

I will now address each bill before the committee today.

Intro 1225

This bill will require the Department of Finance to make its “best efforts” to collect contact information for all owners of real property and ensure that the information is housed in a computer database to administer the real property tax. The bill further stipulates that these “best efforts shall include, at a minimum, a field soliciting the above-listed contact information on all hard copy and online forms, applications, and other documents related to the recording of any deed-related or mortgage-related document...or the administration of the real property tax” and on forms for other property-owner interactions with the Department.

In compliance with Local Law 26 of 2018, DOF currently mails new homeowners “welcome packages” which include information about property taxation, assessment, and the exemptions available to eligible homeowners. This mailing also includes an invitation to sign up for an electronic DOF customer service account. Property owners provide e-mail addresses and telephone numbers as part of registration, and owners can use the account to update mailing address information. Approximately 10,000 new homeowners receive this mailing each month.

The customer relationship management system was established to allow DOF to better serve and satisfy its customers. The nearly 60,000 customers who have created customer service accounts are now able to submit questions and requests to DOF online, upload documents relevant to their inquiries, and track the

status of their cases twenty-four hours a day, seven days a week. Once we have resolved a customer's inquiry, DOF works to update our system based on information provided by the customer to ensure that his or her record is up to date. We are open to exploring new ways to encourage property owners to update their contact information, but we want to steer owners to our customer service portal.

Intro 952

This bill will require the Department of Finance to provide notice of SCHE and DHE renewal by telephone no later than November 15 of each year. DOF already conducts a very robust outreach effort to help homeowners renew these benefits, and this, combined with a redesign and simplification of our renewal application mailings, helped us achieve a 94% renewal rate last year. We regularly partner with elected officials and community organizations to host enrollment events, and we share lists with Council staff so that you can help us reach constituents who still need to renew. In addition, with the launch of the Department of Finance's new property tax system, homeowners can now apply for or renew their tax exemptions online.

DOF believes that adding a robo-call will present operational challenges for the agency without producing commensurate benefits for the customer. Most importantly, DOF is concerned that some homeowners may be alarmed by the calls if they are perceived as scams, as many robo-call scammers prey on seniors and

people with disabilities. As such, DOF is opposed to this bill, but we hope to continue to work with the Council increasing the renewal rate even beyond its current 94% rate, so that no homeowners entitled to property tax exemptions are left behind.

Intro 1702

This legislation requires the Department of Finance to send property owners a statement of account with new language making clear on the July 1 bill that the taxes due are based on a calculation using the tax rate from the prior fiscal year, when prior-year rates are used -- which is frequently the case -- that the taxes are subject to adjustment upon the adoption of the tax rate for the new fiscal year, and that a subsequent bill issued during the course of the new tax year may reflect the adjusted amount of tax due and the new tax rate. DOF supports this bill and believes that it will increase transparency for taxpayers. We will need to work with Council on language that can be included on the bill so that we do not overwhelm customers with information or add additional pages to the bill.

Intro 1705

This legislation would require the Department of Finance to provide email or print receipts when customers pay their property tax bills. DOF would also be required to notify owners of the availability of the receipt on the statement of account.

I would like to share with the Council what we currently do to notify taxpayers that their payments have been received. Currently, if anyone makes a payment at a DOF business center, the customer will receive a receipt with detailed information about the amount of the payment and the BBL associated with the payment. If a taxpayer chooses to make a payment online, he or she will receive an email receipt of the payment. Furthermore, customers can view their payments and account history online, via the department's new property tax system, at www.nyc.gov/nycproperty. DOF is working on ways to make it easier for property owners to view and download info on property tax payments made.

Finally, DOF is working to enhance the customer service portal that I referenced earlier. We are working to give customers the option to receive ongoing updates from the department of subjects of interest to them in the areas of property tax exemptions, business taxes, and more. We also plan to introduce a chat feature to answer customers' questions in real time. We believe that this system provides the tools that we need to communicate important information with customers, and we can develop ways to give property owners user-friendly access to information on their property tax payments through the system. We will be continuing to market and improve the portal so that more customers create accounts and build relationships with the department in this way.

In summary, the Department of Finance shares the Council's goal to provide better, more efficient, and more transparent service to our customers. Many of these bills build upon the work we have already done to enhance our service, and we look forward to partnering with the Council to improve and implement them.

Thank you for your continued commitment and partnership, and for the opportunity to testify today. I'll be happy to take any questions you might have.