



## WHAT WE DO

The Department of Finance (DOF) is responsible for the collection of more than \$40 billion annually in revenue for the City and the valuation of over one million properties worth a total of more than \$1 trillion. DOF records property-related documents, administers property tax exemption and abatement programs, assists New Yorkers with tax payment issues through the Office of the Taxpayer Advocate, adjudicates parking tickets, administers the City's bank accounts, manages the City's cash flows and administers its business and excise taxes.

Through the Office of the Sheriff, DOF enforces court mandates, orders, warrants of arrest, property seizures, and a wide variety of state and City public safety mandates. The Sheriff's Office investigates deed fraud, the trafficking of illegal and untaxed tobacco products and the sale of synthetic narcotics.

Through the Mayor's Office of Pensions and Investments, DOF advises the administration on the management of the City's five pension systems.

DOF is committed to providing exceptional customer service. The agency utilizes a customer-centric business model, incorporating reforms and initiatives. DOF, leveraging Lean Six Sigma, continues to streamline processes and improve cycle times. This furthers the mission, Finance's commitment to its revenue goals, and enables a better customer experience for the City's taxpayers.

## FOCUS ON EQUITY

DOF has several programs and initiatives to ensure all New Yorkers are treated fairly and have access to City services and information. The Customer Contact Center provides all residents and businesses with support regarding payments, property exemptions and business taxes. As of June 30 around 36,500 calls have been received from our constituents. DOF maintains exemption programs for senior citizens and the disabled (SCRIE, DRIE, SCHE and DHE) which enable qualifying renters and homeowners to remain in their homes. The Taxpayer Advocate and the Parking Summons Advocate provide additional means for many under-resourced residents to address issues with their taxes or parking tickets and moving violations, respectively, that could not be resolved elsewhere.

During the pandemic, it is critical that DOF provides a safe means for our most vulnerable constituents to conduct their business with DOF and to ensure the safety of staff. Online appointment scheduling is now offered for some programs enabling a quicker transaction with DOF. DOF offers the public a broad array of options to conduct transactions online, by phone, and by mail.

## OUR SERVICES AND GOALS

### **SERVICE 1 Bill and collect property and other taxes.**

- Goal 1a Increase the proportion of individuals and businesses that are in compliance with tax and revenue laws.
- Goal 1b Promptly review requests for refunds.

### **SERVICE 2 Bill, adjudicate and collect on parking tickets.**

- Goal 2a Increase the proportion of parking tickets that are resolved.
- Goal 2b Assure that all respondents are offered convenient options for paying and challenging tickets.

### **SERVICE 3 Administer rent and property owner exemption programs.**

- Goal 3a Promptly review applications for exemption programs.

### **SERVICE 4 Help NYC taxpayers resolve tax issues.**

- Goal 4a Through the Office of the Taxpayer Advocate, promptly address inquiries and resolve cases.

### **SERVICE 5 Record property-related documents.**

- Goal 5a Increase the percentage of online property recording transactions.

### **SERVICE 6 Serve and execute legal processes and mandates.**

- Goal 6a Increase the proportion of judgments, orders and warrants that are successfully served/executed.

# HOW WE PERFORMED IN FISCAL 2020

## SERVICE 1 Bill and collect property and other taxes.

**Goal 1a** Increase the proportion of individuals and businesses that are in compliance with tax and revenue laws.

Property taxes billed that are paid was 98.06 percent for the year, following the trend of recent years.

During the COVID-19 pandemic, in-person audit visits have been suspended and the pace of taxpayer interactions with the audit staff has slowed. The year-over-year audit results remained relatively level compared to the previous fiscal year. The retirement of non-field audit staff resulted in the hiring of replacement auditors with lesser experience. The reduction in the percent increase in tax liability for non-field cases was impacted, but will be cured over time by the increasing experience of this newly hired non-field audit staff. Additionally, the non-field unit audited larger, more complex taxpayers in Fiscal 2020 over Fiscal 2019 who paid more tax on original filings, resulting in a lower relative increase in liability over the prior year.

Due to the pandemic, the tax lien sale did not occur in May 2020 as originally scheduled. On September 4th, the Mayor announced that the effective date of the tax lien sale had been moved to September 25. Soon after, the governor issued an executive order prohibiting any sales of tax liens until October 4. During this time, DOF will continue to work with property owners whose tax lien is at risk of being sold. The Fiscal 2020 data reported below reflect the number of properties placed in the 2019 sale. This sale occurred in September 2019, as the deployment of the new Property Tax System delayed the annual Fiscal 2019 lien sale process.

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
★ Property taxes billed that are paid (%)	98.6%	98.7%	98.8%	98.3%	98.1%	97.0%	97.0%	Neutral	Up
– Paid on time (%)	96.1%	97.1%	96.5%	95.5%	95.9%	*	*	Neutral	Up
Average turnaround time for field audits (days)	504	435	324	382	408	*	*	Down	Down
Average turnaround time for non-field audits (days)	220	165	175	175	175	*	*	Down	Down
Increase in tax liability as a result of audits (%)	25.8%	25.9%	23.1%	19.0%	20.1%	*	*	Down	Up
Increase in tax liability as a result of field audits (%)	NA	NA	27.3%	18.5%	21.2%	*	*	NA	Up
Increase in tax liability as a result of non-field audits (%)	NA	NA	12.6%	25.4%	10.9%	*	*	NA	Up
Originally noticed properties sold in lien sale (%)	14%	17%	16%	NA	16%	*	*	NA	Down
Properties in final lien sale	3,461	3,939	3,728	NA	3,724	*	*	NA	Down
★ Critical Indicator	"NA" Not Available		↑↓ Directional Target	* None					

**Goal 1b** Promptly review requests for refunds.

The average turnaround time for property refunds decreased from 27 to 21 days. This improvement in processing time was due to a workflow process improvement that resulted in eliminating certain manual tasks. DOF also instituted additional training modules for staff to ensure prompt knowledge transfer of any new system enhancements.

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
★ Average time to issue a property tax refund (days)	24	24	35	27	21	28	28	Neutral	Down
★ Average time to issue a business tax refund (days)	9	26	35	15	15	25	25	Neutral	Down
★ Average Time to Issue a Requested Business Tax Refund (days)	NA	NA	NA	13	13	25	25	NA	Down
★ Average Time to Issue a Non-Requested Business Tax Refund (days)	NA	NA	NA	16	16	25	25	NA	Down
★ Critical Indicator	"NA" Not Available		↑↓ Directional Target	* None					

## SERVICE 2 Bill, adjudicate and collect on parking tickets.

**Goal 2a** Increase the proportion of parking tickets that are resolved.

Due to the 90-day lag in the reporting of the results, full Fiscal 2020 results are not available in time to be included in this report. The Fiscal 2020 results will be published in the Preliminary Fiscal 2021 Mayor's Management Report.

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
Parking tickets resolved within 90 days (000)	8,813	8,472	9,283	8,896	NA	*	*	NA	*
★ Parking tickets issued that are paid within 90 days (%)	66.8%	66.1%	63.3%	66.3%	NA	65.0%	65.0%	NA	Up
Parking tickets issued that are dismissed within 90 days (%)	12.9%	12.9%	15.8%	11.1%	NA	*	*	NA	Down
★ Critical Indicator	"NA" Not Available	↕ Directional Target							* None

**Goal 2b** Assure that all respondents are offered convenient options for paying and challenging tickets.

During the COVID-19 pandemic, Alternate Side Parking rules were adjusted. Also, parking enforcement rules were suspended. This led to the number of summonses adjudicated dropping by 19 percent; particularly during the April-June timeframe, which saw an 82 percent reduction as compared to the same period in Fiscal 2019. As a result, total hearings for the year dropped accordingly. Due to public health concerns during the COVID-19 outbreak, no in-person hearings were conducted between April and June. Online hearings saw a two percent increase over 2019 and accounted for 61 percent of total hearings as compared to 56 percent in Fiscal 2019. Fiscal 2020 also saw a significant increase in the usage of the "Pay or Dispute" app which includes payments in addition to hearing requests. Due to the pandemic, the number of parking ticket appeals reviewed decreased significantly. It is anticipated this number will increase in ensuing months as more public-facing services reopen. Time limits to submit hearing requests related to parking or camera violations were suspended through August 5.

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
Summonses adjudicated (000)	2,037	1,988	2,421	2,346	1,902	*	*	Neutral	*
★ Parking ticket hearings - Total	978,447	978,574	1,126,557	1,074,662	998,215	*	*	Neutral	*
- In-person hearings	220,221	216,695	216,106	185,021	127,418	*	*	Down	*
- Hearings-by-mail	343,601	318,373	347,045	291,299	260,677	*	*	Down	*
- Online hearings	414,625	443,506	563,406	598,342	610,120	*	*	Up	*
Parking ticket "pay or dispute" app transactions	NA	NA	620,882	1,142,596	1,451,241	*	*	NA	*
★ Average turnaround time for in-person parking ticket hearings (minutes)	14	12	11	10	12	25	25	Down	Down
★ Average turnaround time to issue decision for parking ticket hearing-by-web (days)	4.4	3.7	4.6	4.2	4.7	8.5	8.5	Up	Down
★ Average turnaround time to issue decision for parking ticket hearing-by-mail (days)	7.0	6.9	7.0	6.7	7.2	14.0	14.0	Neutral	Down
Parking ticket appeals reviewed	58,939	30,375	39,466	33,982	25,031	*	*	Down	*
Parking ticket appeals granted a reversal (%)	10.0%	21.0%	24.0%	20.0%	16.0%	*	*	Up	Down
★ Critical Indicator	"NA" Not Available	↕ Directional Target							* None

## SERVICE 3 Administer rent and property owner exemption programs.

**Goal 3a** Promptly review applications for exemption programs.

The Department rolled out a new processing system for homeowner exemption applications in August 2019 for applications received for tax year 2020/2021. The increase in average cycle times for the SCHE initial DHE initial, and DHE renewal applications is primarily attributed to activities in transitioning to the new system. It is expected that cycle times will trend downward during the upcoming fiscal year. SCHE recipients are required to renew every two years. The first renewal cycle was initiated for tax year 2017/18 and as such there are larger volumes expected in every odd numbered year. DHE recipients are required to renew annually, so the renewal volumes are relatively similar year over year. SCRIE initial application volumes started to decrease in the second half of the fiscal year as a result of decreased outreach activity and limitations due to the COVID-19 emergency.

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
Senior Citizen Rent Increase Exemption (SCRIE) - Initial applications received	8,951	8,289	8,432	6,600	4,582	*	*	Down	*
★ Average time to process initial SCRIE applications (days)	4.7	3.0	5.0	7.0	6.9	10.0	10.0	Up	Down
SCRIE renewal applications received	27,760	25,091	28,932	24,564	25,632	*	*	Neutral	*
★ Average time to process renewal SCRIE applications (days)	6.9	5.2	7.7	6.6	5.3	10.0	10.0	Down	Down
Disability Rent Increase Exemption (DRIE) - Initial applications received	2,594	2,143	1,822	1,566	1,216	*	*	Down	*
★ Average time to process initial DRIE applications (days)	7.5	3.4	6.0	7.3	7.6	10.0	10.0	Up	Down
DRIE renewal applications received	5,816	6,141	6,856	5,957	5,813	*	*	Neutral	*
★ Average time to process renewal DRIE applications (days)	7.6	4.2	5.7	6.4	5.2	10.0	10.0	Down	Down
Senior Citizen Homeowners' Exemption (SCHE) - Number of initial applications received	NA	NA	18,340	8,446	9,117	*	*	NA	*
★ Average time to process initial SCHE applications (days)	NA	NA	30.2	16.3	37.1	↓	↓	NA	Down
SCHE - Number of renewal applications received	NA	NA	1,696	36,111	6,959	*	*	NA	*
★ Average time to process renewal SCHE applications (days)	NA	NA	127.4	18.5	20.8	↓	↓	NA	Down
Disability Homeowners' Exemption (DHE) - Number of initial applications received	NA	NA	1,038	868	669	*	*	NA	*
★ Average time to process initial DHE applications (days)	NA	NA	30.2	15.9	34.1	↓	↓	NA	Down
DHE - Number of renewal applications received	NA	NA	195	2,777	2,659	*	*	NA	*
★ Average time to process renewal DHE applications (days)	NA	NA	159.7	14.0	23.4	↓	↓	NA	Down
★ Critical Indicator	"NA" Not Available		↑↓ Directional Target	* None					

## SERVICE 4 Help NYC taxpayers resolve tax issues.

**Goal 4a** Through the Office of the Taxpayer Advocate, promptly address inquiries and resolve cases.

The Office of the Taxpayer Advocate (OTA) saw an increase in inquiry process time in March and April 2020. This is largely due to difficulties that staff faced during the transition to the remote working environment, necessitated by COVID-19. Access to OTA's case management system was unavailable for a period of time. Most of the remote working-related issues have been resolved and the average inquiry response time decreased in June to 4.7 days.

OTA has conducted outreach in all five boroughs and forged new partnerships across the broadening scope of taxpayers and organizations familiar with OTA's services. This community building effort generated an over 100 percent increase in total cases closed volume from 471 in Fiscal 2019 to 1,026 in Fiscal 2020. This also yielded a greater number of complicated cases which require cooperation across units in DOF and other City agencies. Coordination across various channels, a rise in intricate cases and the doubling of cases overall, are the main factors in a change in average case closure times. In response, OTA has developed weekly case management tools that monitor each case advocate's workload to track case length and communications.

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
Inquiries received	381	770	1,424	1,738	1,454	*	*	Up	*
★ Average time to address inquiries (days)	9.0	7.8	10.0	4.1	9.9	10.0	10.0	Neutral	Down
Cases opened	194	308	353	665	664	*	*	Up	*
Cases closed	156	311	353	471	1,026	*	*	Up	*
★ Average time to close a case (days)	53.7	61.6	50.4	48.8	102.5	45.0	45.0	Up	Down
★ Critical Indicator	"NA" Not Available		↑↓ Directional Target						* None

## SERVICE 5 Record property-related documents.

**Goal 5a** Increase the percentage of online property recording transactions.

The City Register's Office results continued the trend of recent years, seeing significant growth in electronic submittals. It continued its strategy of prior years to encourage more people to record transactions online. One such initiative included outreach to legal firms and title companies emphasizing the benefits of electronic document submittal. The pandemic also led to more electronic submittals as opposed to physical drop off of documents. Electronic submittals during the last three months of the fiscal year were 86 percent as compared to the annual 78.4 percent rate.

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
Online property recording transactions (%)	58.8%	63.1%	69.7%	73.0%	78.4%	*	*	Up	Up
Average time to record and index property documents (days) - Citywide	3.4	1.1	0.8	0.6	0.7	*	*	Down	Down
★ Critical Indicator	"NA" Not Available		↑↓ Directional Target						* None

## SERVICE 6 Serve and execute legal processes and mandates.

**Goal 6a** Increase the proportion of judgments, orders and warrants that are successfully served/executed.

The pandemic had significant impact on the operations of the Sheriff's Office. While the percentage of successful child support orders held steady year over year, no orders were processed for the last few months. Family Court has been closed as a result of COVID-19, other than emergency cases since March. Property seizure orders successfully executed (%) dropped due to a significant increase in the amount of debt assigned by the City, including more uncollectible debt than in the past.

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
Arrest warrants successfully executed (%)	81%	72%	73%	76%	78%	*	*	Neutral	Up
Orders of Protection successfully served (%)	58%	63%	61%	56%	55%	*	*	Neutral	Up
Property seizure orders successfully executed (%)	88%	83%	80%	78%	62%	*	*	Down	Up
Child support orders successfully served (%)	59%	62%	65%	63%	64%	*	*	Neutral	Up
★ Critical Indicator	"NA" Not Available		↑↓ Directional Target						* None

## AGENCY-WIDE MANAGEMENT

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
Total revenue collected (\$000,000)	\$36,044	\$36,914	\$38,939	\$41,064	\$42,310	*	*	Up	*
– Property taxes collected (\$000,000)	\$22,946	\$24,447	\$26,214	\$27,745	\$29,530	*	*	Up	*
– Business taxes collected (\$000,000)	\$7,550	\$7,289	\$7,420	\$7,855	\$7,637	*	*	Neutral	*
– Property transfer taxes collected (\$000,000)	\$3,008	\$2,501	\$2,439	\$2,640	\$2,111	*	*	Down	*
– Parking summons revenue (\$000,000)	\$642	\$627	\$668	\$698	\$718	*	*	Up	*
– Audit and enforcement revenue collected (\$000,000)	\$1,161	\$1,252	\$1,299	\$1,058	\$999	*	*	Down	*
– Other revenue (\$000,000)	\$738	\$798	\$899	\$1,069	\$1,315	*	*	Up	*

★ Critical Indicator      "NA" Not Available      ⇅ Directional Target      \* None

## AGENCY CUSTOMER SERVICE

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
Customer Experience									
E-mails responded to in 14 days (%)	71%	73%	64%	79%	83%	85%	85%	Up	Up
Letters responded to in 14 days (%)	87%	91%	89%	84%	84%	85%	85%	Neutral	Up
Completed customer requests for interpretation	5,453	7,699	7,584	4,550	4,627	*	*	Down	*
Average customer in-person wait time (minutes)	4	5	5	7	6	12	12	Up	Down
Calls answered by customer service representative (%)	46%	80%	88%	91%	94%	*	*	Up	Up
CORE customer experience rating (0-100)	81	96	98	NA	96	90	90	NA	Up

★ Critical Indicator      "NA" Not Available      ⇅ Directional Target      \* None

## AGENCY RESOURCES

Resource Indicators	Actual <sup>1</sup>					Plan <sup>2</sup>		5yr Trend
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	
Expenditures (\$000,000) <sup>3</sup>	\$258.8	\$266.6	\$278.9	\$300.2	\$324.4	\$333.6	\$324.8	Up
Revenues (\$000,000)	\$816.2	\$818.2	\$832.8	\$883.0	\$887.4	\$963.1	\$829.9	Up
Personnel	1,954	2,016	1,969	2,051	2,018	2,226	2,181	Neutral
Overtime paid (\$000)	\$2,699	\$3,519	\$3,878	\$5,306	\$1,050	\$1,050	\$1,050	Down

<sup>1</sup>Actual financial amounts for the current fiscal year are not yet final. Final fiscal year actuals, from the Comptroller's Comprehensive Annual Financial Report, will be reported in the next PMMR. Refer to the "Indicator Definitions" at [nyc.gov/mmr](http://nyc.gov/mmr) for details.      <sup>2</sup>Authorized Budget Level      <sup>3</sup>Expenditures include all funds      "NA" - Not Available  
\* None

## SPENDING AND BUDGET INFORMATION

Where possible, the relationship between an agency's goals and its expenditures and planned resources, by budgetary unit of appropriation (UA), is shown in the 'Applicable MMR Goals' column. Each relationship is not necessarily exhaustive or exclusive. Any one goal may be connected to multiple UAs, and any UA may be connected to multiple goals.

Unit of Appropriation	Expenditures FY19 <sup>1</sup> (\$000,000)	Modified Budget FY20 <sup>2</sup> (\$000,000)	Applicable MMR Goals <sup>3</sup>
<b>Personal Services - Total</b>	<b>\$163.5</b>	<b>\$176.6</b>	
001 - Administration and Planning	\$46.9	\$44.8	All
002 - Operations	\$21.6	\$24.5	1b, 3a
003 - Property	\$28.4	\$30.3	1a, 1b, 5a
004 - Audit	\$29.7	\$33.8	1a, 1b
005 - Legal	\$6.8	\$7.3	1a, 1b, 2a
007 - Parking Violations Bureau	\$10.4	\$13.3	2a, 2b
009 - City Sheriff	\$19.7	\$22.6	1a, 2a, 6a
<b>Other Than Personal Services - Total</b>	<b>\$136.7</b>	<b>\$147.8</b>	
011 - Administration	\$82.9	\$90.6	All
022 - Operations	\$31.7	\$36.3	1b, 3a
033 - Property	\$3.8	\$4.4	1a, 1b, 5a
044 - Audit	\$0.2	\$0.9	1a, 1b
055 - Legal	\$0.1	\$0.1	1a, 1b, 2a
077 - Parking Violations Bureau	\$0.7	\$1.4	2a, 2b
099 - City Sheriff	\$17.3	\$14.1	1a, 2a, 6a
<b>Agency Total</b>	<b>\$300.2</b>	<b>\$324.4</b>	

<sup>1</sup>Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2019. Includes all funds. <sup>2</sup>City of New York Adopted Budget for Fiscal 2020, as of June 2020. Includes all funds. <sup>3</sup>Refer to agency goals listed at front of chapter. "NA" Not Available \* None

## NOTEWORTHY CHANGES, ADDITIONS OR DELETIONS

- Due to the pandemic, the tax lien sale did not occur in May 2020 as originally scheduled. On September 4th, the Mayor announced that the effective date of the tax lien sale had been moved to September 25. Soon after, the governor issued an executive order prohibiting any sales of tax liens until October 4. During this time, DOF will continue to work with property owners whose tax lien is at risk of being sold.
- Fiscal 2020 is the first year DOF is reporting on business tax refunds as "Requested" and "Non-Requested." In our ongoing efforts to best serve New York's constituents, DOF re-engineered its processes and technologies that enable the distribution of business tax refunds without a prior request from the taxpayer.

## ADDITIONAL RESOURCES

For additional information on items referenced in the narrative, go to:

- NYC Rent Freeze Program:  
[www.nyc.gov/rentfreeze](http://www.nyc.gov/rentfreeze)

For more information on the agency, please visit: [www.nyc.gov/dof](http://www.nyc.gov/dof).

