

# DEPARTMENT OF FINANCE

Jacques Jiha, Commissioner



## WHAT WE DO

The Department of Finance (DOF) has a broad range of responsibilities, including the collection of nearly \$39 billion annually in revenue for the City and the valuation of more than one million properties worth a total of more than \$1 trillion. DOF records property-related documents, administers property tax exemption and abatement programs, adjudicates parking tickets, administers the City's bank accounts, manages the City's cash flows and administers its business and excise taxes. In addition, DOF provides administrative support to the City's Banking Commission, which recommends interest rates for late property tax payments and approves bank and trust companies to hold City funds.

Through the Office of the Sheriff, DOF enforces court mandates, orders, warrants of arrest, and property seizures. 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.

## FOCUS ON EQUITY

While administering the City's tax laws fairly, efficiently and transparently to instill public confidence and encourage compliance, DOF is committed to providing exceptional customer service. The agency has shifted to a customer-centric business model, introducing many reforms and initiatives to enhance transparency and customer service.

In Fiscal 2018 DOF established the Office of the Parking Summons Advocate, that will serve citizens who wish to dispute summonses for parking/red light violations after exhausting all other available options. DOF has focused on updating technology and systems, and re-engineering its customer-facing processes. It is near completion in replacing its decades-old Property Tax System. To make interactions with DOF more convenient, technology is being leveraged to create self-service options, such as secure online forms, mobile apps and new payment methods. The Pay Near Me partnership, which had enabled customers to pay parking tickets at 7-Eleven stores, expanded its network during Fiscal 2018 by partnering CVS stores across the US. The Pay or Dispute app, created in Fiscal 2017, grew to account for \$42.6 million in revenue from 405,000 transactions.

Combining technology and Lean Six Sigma tools, DOF is streamlining processes and improving cycle times. These and other initiatives further the mission, the Department's commitment to its revenue goals, and enable a better customer experience for the City's taxpayers.

## 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

- During the first four months of Fiscal 2019, the average time to issue a business tax refund (days) was 13 days, as compared to 33 days for the same period last year. This can be attributed to the ongoing process improvement initiatives being conducted in the business unit.
- The public's usage of the "Pay or Dispute" app has grown dramatically, to 344,095 transactions as compared to 101,979 transactions during the same period last year. As a result, online parking ticket hearings have grown by 13.7 percent year over year, while in-person hearings dropped by 14.1 percent and hearings-by-mail dropped by 16.6 percent.
- The Office of the Taxpayer Advocate showed significant year-over-year increases in both the number of Inquiries and the number of Cases resolved. At the same time, the days to address Inquiries dropped from an average of 14 to 4.7 days; and the days to close a Case dropped from 52.6 to 41 days on average. These indicators illustrate the maturity of this relatively-new Office, which was established in Fiscal 2016. Systems and staff have been in place for more than two years, and the Office is able to address the needs of its constituents more efficiently and effectively as a result.
- The Increase in tax liability as a result of field audits dropped from 34.5 percent to 9.4 percent during the same period in Fiscal 2018. The main cause of this was an extremely large audit that was closed in September 2017, which greatly skewed Fiscal 2018's rate.
- Processing times for the SCRIE and DRIE rent freeze programs were lower across the board. While total applications for these programs have dropped around 3.3 percent year-over-year, the improved processing times can be attributed to ongoing process improvements in the Exemptions unit.
- The Department is now reporting Senior Citizen Homeowners' Exemption (SCHE) and Disability Homeowners' Exemption (DHE) application and processing time data. Early in the Fiscal 2018 reporting period, the Department counted multiple exemptions on a single application, and the change to the current one exemption/one application approach was fully reflected in the Fiscal 2019 data. The former practice also led to longer reported processing times, as determinations of eligibility for each exemption on one application were not completed until all exemptions on that application were completed.

## 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.

Performance Indicators	Actual			Target		4-Month Actual	
	FY16	FY17	FY18	FY19	FY20	FY18	FY19
★ Property taxes billed that are paid (%)	98.6%	98.7%	98.8%	97.0%	97.0%	NA	NA
– Paid on time (%)	96.1%	97.1%	96.5%	*	*	95.9%	95.0%
Average turnaround time for field audits (days)	504	435	324	*	*	421	317
Average turnaround time for non-field audits (days)	220	165	175	*	*	167	163
Increase in tax liability as a result of audits (%)	25.8%	25.9%	23.1%	*	*	32.1%	12.3%
Originally noticed properties sold in lien sale (%)	14%	17%	16%	*	*	NA	NA
Properties in final lien sale	3,461	3,939	3,728	*	*	NA	NA
Increase in tax liability as a result of field audits (%)			27.3%	*	*	34.5%	9.4%
Increase in tax liability as a result of non-field audits (%)			12.6%	*	*	15.9%	21.0%
★ Critical Indicator	"NA" Not Available	↑↓ Directional Target	* None				

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

Performance Indicators	Actual			Target		4-Month Actual	
	FY16	FY17	FY18	FY19	FY20	FY18	FY19
★ Average time to issue a property tax refund (days)	24	24	35	28	28	29	29
★ Average time to issue a business tax refund (days)	9	26	35	25	25	33	13
★ 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.

Performance Indicators	Actual			Target		4-Month Actual	
	FY16	FY17	FY18	FY19	FY20	FY18	FY19
Parking tickets resolved within 90 days (000)	8,813	8,472	9,283	*	*	3,159	3,082
★ Parking tickets issued that are paid within 90 days (%)	66.8%	66.1%	63.3%	65.0%	65.0%	59.3%	64.2%
Parking tickets issued that are dismissed within 90 days (%)	12.9%	12.9%	15.8%	*	*	20.1%	13.4%
★ Critical Indicator	"NA" Not Available		↕ Directional Target	* None			

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

Performance Indicators	Actual			Target		4-Month Actual	
	FY16	FY17	FY18	FY19	FY20	FY18	FY19
Summonses adjudicated (000)	2,037	1,988	2,421	*	*	789	810
★ Parking ticket hearings - Total	978,447	978,574	1,126,557	*	*	375,353	367,958
– In-person hearings	220,221	216,695	216,106	*	*	79,327	68,146
– Hearings-by-mail	343,601	318,373	347,045	*	*	121,466	101,307
– Online hearings	414,625	443,506	563,406	*	*	174,560	198,505
Parking ticket "pay or dispute" app transactions	NA	NA	620,882	*	*	101,979	344,095
★ Average turnaround time for in-person parking ticket hearings (minutes)	14	12	11	25	25	11	10
★ Average turnaround time to issue decision for parking ticket hearing-by-web (days)	4.4	3.7	4.6	8.5	8.5	4.4	4.6
★ Average turnaround time to issue decision for parking ticket hearing-by-mail (days)	7.0	6.9	7.0	14.0	14.0	6.8	6.8
Parking ticket appeals reviewed	58,939	30,375	39,466	*	*	11,302	11,989
Parking ticket appeals granted a reversal (%)	10.0%	21.0%	24.0%	*	*	22.8%	25.0%
★ 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.

Performance Indicators	Actual			Target		4-Month Actual	
	FY16	FY17	FY18	FY19	FY20	FY18	FY19
Senior Citizen Rent Increase Exemption (SCRIE) - Initial applications received	8,951	8,289	8,432	*	*	3,000	2,682
★ Average time to process initial SCRIE applications (days)	4.7	3.0	5.0	10.0	10.0	4.6	4.2
SCRIE renewal applications received	27,760	25,091	28,932	*	*	9,257	9,347
★ Critical Indicator	"NA" Not Available		↕ Directional Target	* None			

Performance Indicators	Actual			Target		4-Month Actual		
	FY16	FY17	FY18	FY19	FY20	FY18	FY19	
★ Average time to process renewal SCRIE applications (days)	6.9	5.2	7.7	10.0	10.0	8.9	5.0	
Disability Rent Increase Exemption (DRIE) - Initial applications received	2,594	2,143	1,822	*	*	604	555	
★ Average time to process initial DRIE applications (days)	7.5	3.4	6.0	10.0	10.0	5.9	5.0	
DRIE renewal applications received	5,816	6,141	6,856	*	*	2,314	2,172	
★ Average time to process renewal DRIE applications (days)	7.6	4.2	5.7	10.0	10.0	6.2	4.7	
Senior Citizen Homeowners' Exemption (SCHE) - Number of initial applications received			18,340	*	*	3,395	1,408	
★ Average time to process initial SCHE applications (days)			30.2	↓	↓	18.0	15.8	
SCHE - Number of renewal applications received			1,696	*	*	1,004	43	
★ Average time to process renewal SCHE applications (days)			127.4	↓	↓	78.6	13.0	
Disability Homeowners' Exemption (DHE) - Number of initial applications received			1,038	*	*	72	134	
★ Average time to process initial DHE applications (days)			30.2	↓	↓	15.0	17.3	
DHE - Number of renewal applications received			195	*	*	104	5	
★ Average time to process renewal DHE applications (days)			159.7	↓	↓	158.1	10.5	
★ 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.

Performance Indicators	Actual			Target		4-Month Actual		
	FY16	FY17	FY18	FY19	FY20	FY18	FY19	
Inquiries received	381	770	1,424	*	*	369	498	
★ Average time to address inquiries (days)	9.0	7.8	10.0	10.0	10.0	14.0	4.7	
Cases opened	194	308	353	*	*	97	176	
Cases closed	156	311	353	*	*	104	165	
★ Average time to close a case (days)	53.7	61.6	50.4	45.0	45.0	52.6	41.1	
★ Critical Indicator	"NA" Not Available	↑↓ Directional Target	* None					

## SERVICE 5 Record property-related documents.

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

Performance Indicators	Actual			Target		4-Month Actual		
	FY16	FY17	FY18	FY19	FY20	FY18	FY19	
Online property recording transactions (%)	58.8%	63.1%	69.7%	*	*	69.1%	71.4%	
Average time to record and index property documents (days) - Citywide	3.4	1.1	0.8	*	*	0.5	0.5	
★ 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.

Performance Indicators	Actual			Target		4-Month Actual	
	FY16	FY17	FY18	FY19	FY20	FY18	FY19
Arrest warrants successfully executed (%)	81%	72%	73%	*	*	69%	67%
Orders of Protection successfully served (%)	58%	63%	61%	*	*	62%	57%
Property seizure orders successfully executed (%)	88%	83%	80%	*	*	80%	78%
Child support orders successfully served (%)	59%	62%	65%	*	*	65%	63%

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

## AGENCY-WIDE MANAGEMENT

Performance Indicators	Actual			Target		4-Month Actual	
	FY16	FY17	FY18	FY19	FY20	FY18	FY19
Total revenue collected (\$000,000)	\$36,044	\$36,914	\$38,939	*	*	NA	NA
– Property taxes collected (\$000,000)	\$22,946	\$24,447	\$26,214	*	*	NA	NA
– Business taxes collected (\$000,000)	\$7,550	\$7,289	\$7,420	*	*	NA	NA
– Property transfer taxes collected (\$000,000)	\$3,008	\$2,501	\$2,439	*	*	NA	NA
– Parking summons revenue (\$000,000)	\$642	\$627	\$668	*	*	NA	NA
– Audit and enforcement revenue collected (\$000,000)	\$1,161	\$1,252	\$1,299	*	*	NA	NA
– Other revenue (\$000,000)	\$738	\$798	\$899	*	*	NA	NA

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

## AGENCY CUSTOMER SERVICE

Performance Indicators	Actual			Target		4-Month Actual	
	FY16	FY17	FY18	FY19	FY20	FY18	FY19
Customer Experience							
E-mails responded to in 14 days (%)	71%	73%	64%	85%	85%	67%	76%
Letters responded to in 14 days (%)	87%	91%	89%	85%	85%	91%	87%
Completed customer requests for interpretation	5,453	7,699	7,584	*	*	2,891	666
Average customer in-person wait time (minutes)	4	5	5	12	12	4	7
Calls answered by customer service representative (%)	46%	80%	88%	*	*	87%	91%
CORE customer experience rating (0-100)	81	96	98	90	90	NA	NA

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

## AGENCY RESOURCES

Resource Indicators	Actual			Sept. 2018 MMR Plan	Updated Plan	Plan	4-Month Actual	
	FY16	FY17	FY18	FY19	FY19 <sup>1</sup>	FY20 <sup>1</sup>	FY18	FY19
Expenditures (\$000,000) <sup>2</sup>	\$258.8	\$266.6	\$278.9	\$303.5	\$311.4	\$311.8	\$123.9	\$150.2
Revenues (\$000,000)	\$816.2	\$818.2	\$832.8	\$796.4	\$799.0	\$794.3	\$260.4	\$294.6
Personnel	1,954	2,016	1,969	2,266	2,268	2,282	1,943	1,936
Overtime paid (\$000)	\$2,699	\$3,519	\$3,878	\$1,048	\$3,890	\$1,050	\$935	\$1,287

<sup>1</sup>February 2019 Financial Plan    <sup>2</sup>Expenditures include all funds    "NA" - Not Available

# 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 FY18 <sup>1</sup> (\$000,000)	February 2019 Financial Plan FY19 <sup>2</sup> (\$000,000)	Applicable MMR Goals <sup>3</sup>
Personal Services - Total	\$157.8	\$164.0	
001 - Administration and Planning	\$43.9	\$42.6	All
002 - Operations	\$21.7	\$22.8	1b, 3a
003 - Property	\$27.4	\$29.0	1a, 1b, 5a
004 - Audit	\$28.6	\$31.0	1a, 1b
005 - Legal	\$6.9	\$7.1	1a, 1b, 2a
007 - Parking Violations Bureau	\$11.1	\$11.3	2a, 2b
009 - City Sheriff	\$18.2	\$20.2	1a, 2a, 6a
Other Than Personal Services - Total	\$121.0	\$147.4	
011 - Administration	\$64.3	\$83.8	All
022 - Operations	\$33.3	\$37.9	1b, 3a
033 - Property	\$3.3	\$4.5	1a, 1b, 5a
044 - Audit	\$0.2	\$0.6	1a, 1b
055 - Legal	\$0.1	\$0.1	1a, 1b, 2a
077 - Parking Violations Bureau	\$1.0	\$1.3	2a, 2b
099 - City Sheriff	\$18.8	\$19.2	1a, 2a, 6a
Agency Total	\$278.9	\$311.4	

<sup>1</sup>Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2018. Includes all funds. <sup>2</sup>Includes all funds.  
<sup>3</sup>Refer to agency goals listed at front of chapter. <sup>4</sup>This UA originated in Fiscal 2018 "NA" Not Available \* None

## NOTEWORTHY CHANGES, ADDITIONS OR DELETIONS

- As related to Goal 1a, the “% Increase in Tax Liability as a Result of Audits” indicator is now being tracked separately for Field and Non-Field Audits.
- The following new indicators have been added to Goal 3a:
  - Senior Citizen Homeowners’ Exemption (SCHE) – Number of initial applications received
  - Average time to process initial SCHE applications (days)
  - Senior Citizen Homeowners’ Exemption (SCHE) – Number of renewal applications received
  - Average time to process renewal SCHE applications (days)
  - Disability Homeowners’ Exemption (DHE) – Number of initial applications received
  - Average time to process initial DHE applications (days)
  - Disability Homeowners’ Exemption (DHE) – Number of renewal applications received
  - Average time to process renewal DHE applications (days)

## 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).

