Public Hearing
On
FY 2025 Executive Budget

Joint Legislative Budget Hearing: Taxes
February 14, 2024

Presented by:

New York State Assessors Association

Greetings

The New York State Assessors Association (NYSAA) was formed in 1940 to improve the standards of assessment practices. The Association serves as a clearinghouse for the collection and distribution of useful information relating to the assessment of real property. The Association is a proponent of local government. Assessors serve to educate the taxpaying public on the nature and importance of the work performed by assessing officers, and assessors help explain and implement changes resulting from new legislation.

American citizens believe in their local governments. Americans have more trust and confidence in their local governments and their local government leaders than they do in other levels of government. Assessors are leaders in the community.

Part M – Clarifying the Telecommunications Assessment Ceiling Program

It appears this provision attempts to clarify that only property primarily and exclusively used in the transmission of radio, television, or cable television signals would be excluded from the definition of real property, furthermore from taxation.

The New York State Assessors Association (NYSAA) respectfully requests that the Legislature require full disclosure of the inventory at all sites, including original equipment and installation costs. The telecommunication companies should be required to clearly state what property is used primarily and exclusively in the transmission of radio, television or cable television signals. This information will be crucial for properly valuing the real property at the local level. NYSAA would also like to caution the Legislature not to amend the provision further to exempt any other telecommunication property or equipment.

This provision has the potential of creating a slippery slope in determining what is taxable real property. This provision must not include fiber optic cable. If the legislative intent is not clear, the utility companies will use this provision to challenge the taxability of all telecommunications equipment across the State of New York.

If the equipment used primarily and exclusively to transmit radio, television, or cable television signals is not specifically identified, this provision has the potential to be misinterpreted and municipalities will be in jeopardy of losing millions of dollars in revenue. Shattering the local tax base will greatly affect the average New York State taxpayer.

Taxation of Property Owned by a Cooperative Corporation - Support A.01292/S.04065

The New York State Assessors Association (NYSAA) has been advocating for legislation that will allow, **at local option**, market-based assessments of real property owned or leased by a condominium or a cooperative corporation, converted or constructed. It is imperative that the real property tax administration treat all properties equally. Section 339-y of the Real Property Tax Law prevents equal taxation. Condominiums and cooperatives across New York State receive preferential tax treatment.

Condominiums and cooperatives are essentially single-family residences. Condominiums and cooperatives are being assessed as income producing properties and bear no relationship to properties' market value. The methods for estimating market value should not be restricted. Municipalities need the authority to value condominiums and cooperatives using any acceptable appraisal method, the same as all other residential properties.

Developers are cognizant of the valuation loophole and are taking advantage of it. Developers are building traditional single-family residences under the auspice of a condominium corporation in an effort to take advantage of the de facto exemption. Condominium and cooperative owners have an unfair tax advantage over all other real property owners within their municipality.

NYSAA strongly supports legislation that would alleviate the valuation restrictions and provide the locality the ability to use market value, which in most cases is the best indicator of value in developing estimates of taxable value. The opt-in option will provide municipal corporations the opportunity to eliminate valuation disparities.

In 2022, a similar bill (A.10488/S.09413) was passed specifically for the Town of Greenburgh, Westchester County. To date, the Town of Greenburgh has not experienced any repercussions. Developers continue to propose development. NYSAA strongly believes this legislation would not hinder the Governor's housing proposals, but instead would be an equitable approach to valuation and tax apportionment.

Second Notice of Tax Exemptions for Senior Citizens - Amend A.01980/S.08570 (2021/2022)

Assessors across the state go to great lengths to notify senior citizens of tax exemptions they may be eligible to receive. Assessors and public officials alike want eligible seniors to receive exemptions that may afford seniors the opportunity to stay in their homes. By law, assessors are required to send annual renewal notices and include notice with or on all senior citizens' tax bills. Requiring an additional notice thirty days prior to taxable status date has created chaos. **Municipalities cannot afford another unfunded state mandate**. There is a fiscal implication to sending a second notice; it is costly and labor intensive. This mandate has **cost thousands** to implement. Most communities have trimmed budgets, are working with skeletal resources, and have limited personnel to fulfill such an obligation. A suburban town on the outskirts of Albany recently sent over 25,000 post card notices, which cost upward of $9,000 for the mailing and did not include staff time. In 2023, it cost Nassau County nearly $200,000 to send a second notice.

The New York State Assessors Association (NYSAA) is committed to encouraging assessors and their local officials to post notices using existing avenues: newsletters, websites, social media, etc. The New York State Legislature is encouraged to seek the opinion of the Department of Taxation and Finance (DTF). The DTF currently sends notice to potential recipients of the STAR benefit, in addition to sending the local assessor numerous STAR related reports, including a report of potentially eligible property owners for the RP-467 senior citizen exemption. If DTF was not in favor of sending an additional notice, the agency may be able to provide the assessor with a list of potential eligible property owners based on age and income. This would eliminate notices going to property owners well below the age and above the income threshold. A property owner in their mid-thirties received a notice and made it very clear to their local assessor how upset they were by the misuse of municipal funds.

At the very least the Association would like the Legislature to consider narrowing the scope of recipients. Currently the legislation states every municipal corporation shall notify each person owning residential real property. In addition to age and income, this mandate does not take into consideration residential property owners with multiple properties. In one instance, one property owner received twenty-six notices. It's important to be mindful that the exemption would only apply to an eligible owner's primary residence. The current mandate does not exclude property owners who have already applied for and are receiving the exemption, which causes further confusion.

NYSAA supports keeping senior citizens informed, just not at the expense of the local municipality. It's important to communicate the numerous tax exemptions available to all New York taxpayers, not just senior citizens. Assessors play an integral role in public relations, which is something NYSAA stresses in its mission and teaching theories.

Conclusion

Thank you for the work that you do and affording us time today. We appreciate the opportunity to share our perspective on the executive budget. We look forward to working with you this legislative session.