

1. Public Notice 1-25-21

Documents:

[1-25-21 FINANCE AND VETERANS HEARING.PDF](#)

1.I. 1.25.21 - Agenda For Finance And Veterans

Documents:

[1.25.21 - AGENDA FOR FINANCE AND VETERANS.DOC](#)

2. FINANCE AND VETERANS SENIOR AFFAIRS COMMITTEE, 01-25-21

Documents:

[FINANCE AND VETERANS _ SENIOR AFFAIRS COMMITTEE, 01-25-21.PDF](#)



PUBLIC NOTICE

PLEASE TAKE NOTICE THAT

THE NASSAU COUNTY LEGISLATURE WILL HOLD

**A JOINT HEARING OF THE FINANCE COMMITTEE
AND THE VETERANS AND SENIOR AFFAIRS
COMMITTEE**

ON

MONDAY, JANUARY 25, 2021 AT 9:00 AM

**REGARDING ASSESSMENT AND THE ASSESSMENT REVIEW
COMMISSION**

IN

**THE PETER J. SCHMITT MEMORIAL LEGISLATIVE CHAMBER
THEODORE ROOSEVELT EXECUTIVE AND LEGISLATIVE BUILDING
1550 FRANKLIN AVENUE, MINEOLA, NEW YORK 11501**

Please be advised that due to health and safety concerns associated with the COVID-19 virus and in accordance with New York State Executive Order No. 202.1, which, in part, suspends Article 7 of the Public Officers Law to the extent necessary to permit any public body to meet and take such actions authorized by law without permitting in public in-person access to meetings, this hearing will be closed to the public and will be available for viewing online at <http://www.nassaucountyny.gov/agencies/Legis/index.html>

Public comment on any item may be emailed to the Clerk of the Legislature at LegPublicComment@nassaucountyny.gov and will be made part of the formal record of this Legislative meeting.

While this hearing is closed to the public, the Nassau County Legislature is committed to making its public hearings accessible to individuals with disabilities. If, due to a disability, you need an accommodation or assistance to participate in the public hearing or to obtain a copy of the transcript of the public hearing in an alternative format in accordance with the provisions of the Americans with Disabilities Act, please contact the Office of the Clerk of the Legislature at 571-4252, or the Nassau County Office of the Physically Challenged at 227-7101 or TDD telephone No. 227-8989.

MICHAEL C. PULITZER
Clerk of the Legislature
Nassau County, New York

DATED: January 19, 2021
Mineola, NY

Theodore Roosevelt Executive and Legislative Building
1550 Franklin Avenue, Mineola, New York 11501

**FINANCE AND VETERANS & SENIOR AFFAIRS COMMITTEES
OF THE
Nassau County Legislature**

**HEARING ON ASSESSMENT AND THE ASSESSMENT
REVIEW COMMISSION**

Finance Committee Membership

*Howard Kopel – Chairman
Vincent Muscarella – Vice Chairman
Tom McKeivitt
Rose Marie Walker*

*Ellen Birnbaum - Ranking
Arnold Drucker
Joshua Lafazan*

Veterans & Senior Affairs Committee Membership

*John Ferretti – Chairman
C. William Gaylor III – Vice Chairman
Rose Marie Walker
Steve Rhoads*

*Debra Mule – Ranking
Delia DeRiggi-Whitton
Ellen Birnbaum*

AGENDA

January 25, 2021

9:00 AM

Robert Miles, General Counsel

Department of Assessment

Jeremy May, Commissioner

Assessment Review Commission

PUBLIC COMMENT

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NASSAU COUNTY LEGISLATURE

RICHARD NICOLELLO
PRESIDING OFFICER

FINANCE COMMITTEE

LEGISLATOR HOWARD KOPEL
CHAIR

Theodore Roosevelt Building
1550 Franklin Avenue
Mineola, New York

January 25, 2021

9:10 A.M.

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2 A P P E A R A N C E S :

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4 LEGISLATOR HOWARD KOPEL

5 Chair

6

7 LEGISLATOR VINCENT MUSCARELLA

8 Vice Chair

9

10 LEGISLATOR TOM MCKEVITT

11

12 LEGISLATOR ROSE MARIE WALKER

13

14 LEGISLATOR ELLEN BIRNBAUM

15 Ranking member

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17 LEGISLATOR ARNOLD DRUCKER

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19 LEGISLATOR DEBRA MULE

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NASSAU COUNTY LEGISLATURE

RICHARD NICOLELLO
PRESIDING OFFICER

VETERANS AND SENIOR AFFAIRS COMMITTEE

LEGISLATOR JOHN FERRETTI
CHAIR

Theodore Roosevelt Building
1550 Franklin Avenue
Mineola, New York

January 25, 2021
9:10 A.M.

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2 A P P E A R A N C E S:

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4 LEGISLATOR JOHN FERRETTI, JR.

5 Chair

6

7 LEGISLATOR STEVEN RHOADS

8 Vice Chair

9

10 LEGISLATOR ROSE WALKER

11

12 LEGISLATOR WILLIAM GAYLOR, III

13

14 LEGISLATOR DEBRA MULE

15 Ranking member

16

17 LEGISLATOR ELLEN BIRNBAUM

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19 LEGISLATOR DELIA DERIGGI-WHITTON

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2 LEGISLATOR KOPEL: Legislator

3 McKevitt, why don't you lead us in the pledge.

4 Mr. Pulitzer, if you would please.

5 MR. PULITZER: Finance Committee

6 roll call. Legislator Joshua Lafazan.

7 LEGISLATOR LAFAZAN: Here.

8 MR. PULITZER: Legislator Arnold

9 Drucker. Ranking Member Ellen Birnbaum.

10 LEGISLATOR BIRNBAUM: Here.

11 MR. PULITZER: Legislator Rose

12 Marie Walker.

13 LEGISLATOR WALKER: Here.

14 MR. PULITZER: Legislator Thomas

15 McKevitt.

16 LEGISLATOR MCKEVITT: Here.

17 MR. PULITZER: Vice Chairman

18 Vincent Muscarella.

19 LEGISLATOR MUSCARELLA: Here.

20 MR. PULITZER: Chairman Howard

21 Kopel.

22 LEGISLATOR KOPEL: Here.

23 MR. PULITZER: One more time.

24 Legislator Arnold Drucker. Sir, we have a

25 quorum.

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2 LEGISLATOR KOPEL: You got both
3 committees?

4 MR. PULITZER: I have Veterans,
5 call that as well?

6 LEGISLATOR KOPEL: Please.

7 MR. PULITZER: Veterans and
8 Senior Affairs Committee roll call.
9 Legislator Ellen Birnbaum.

10 LEGISLATOR BIRNBAUM: Here.

11 MR. PULITZER: Legislator Delia
12 DeRiggi-Whitton.

13 LEGISLATOR DERIGGI-WHITTON:
14 Here.

15 MR. PULITZER: Ranking Member
16 Debra Mule.

17 LEGISLATOR MULE: Here.

18 MR. PULITZER: Legislator Steven
19 Rhoads.

20 LEGISLATOR RHOADS: Present.

21 MR. PULITZER: Legislator Rose
22 Marie Walker.

23 LEGISLATOR WALKER: Here.

24 MR. PULITZER: Vice Chairman C.
25 William Gaylor the Third.

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2 LEGISLATOR GAYLOR: Present.

3 MR. PULITZER: Chairman John
4 Ferretti, Jr.

5 LEGISLATOR FERRETTI: Here.

6 MR. PULITZER: We have a quorum
7 sir.

8 LEGISLATOR KOPEL: We're good to
9 go then. I think I see RM, that would be
10 Robert Miles. And Jeremy May, are you here as
11 well? Yes. I see both of your letters on the
12 screen. Thank you both for coming and joining
13 us today.

14 MR. PULITZER: Chairman, excuse
15 me for one second. Mr. Drucker has come into
16 the meeting.

17 LEGISLATOR KOPEL: Good morning
18 Mr. Drucker.

19 Because of the epidemic, we're not
20 having members of the public personally
21 providing comments. However, we are accepting
22 written comments and written comments will be
23 incorporated into the record of this hearing.
24 Anybody who is online or otherwise can submit
25 those comments to the leg L-E-G public

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2 comment, one word, no S, at Nassau County NY
3 dot gov. Just go ahead and submit it there
4 and we'll incorporate it into the record.

5 Now, in 2018 the county underwent a
6 reassessment of all residential properties and
7 the roll had been frozen for many years. The
8 legislature provided the tools necessary for
9 the reassessment and the county executive of
10 course is the one responsible for supervising
11 it and actually making it go forward. We've
12 had here in the legislature several hearings
13 in response to a number of errors and we
14 passed laws promoting transparency of the
15 process and the results.

16 The values of the reassessment were
17 used for the first half of the 2020 school
18 taxes as well as the '20-'21 general taxes.
19 As a result of that, many had sticker shock
20 having opened their bills.

21 So, we're back again to ask
22 questions and to get information for our
23 residents, many of whom were concerned about
24 the actual impact of the reassessment and they
25 are concerned, some very justifiably so, that

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2 they can no longer afford to live in Nassau
3 County. I believe Legislator Ferretti you
4 have some opening?

5 LEGISLATOR FERRETTI: Thank you
6 Deputy Presiding Officer Kopel. I too would
7 like to thank Mr. Miles and Mr. May for
8 attending today's important hearing.

9 I'm concerned about the impact this
10 reassessment has had on all Nassau County
11 residents. However, as chairperson of the
12 Veterans and Senior Affairs Committee, I
13 believe it's important that we highlight how
14 Nassau County's veterans and seniors have been
15 affected by the process.

16 Seniors in Nassau County live on a
17 fixed income and some have lived in their
18 homes for decades and paid property taxes
19 throughout this time period. Others have
20 decided to downsize, moving into multiunit
21 residential complexes hoping to save money and
22 enjoy their golden years after retirement.
23 Many were panicked by their tax bills. They
24 were financially smart throughout their lives
25 and believed that they planned for retirement

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2 accordingly. However, with these tax bills
3 seniors are wondering if they can continue to
4 live in the county they have called home for
5 all these years.

6 Since the beginning of this year
7 taxpayers have been contacting legislative
8 offices about general tax bills that have
9 doubled or tripled between 2020 and '20-'21.
10 Such an increase is unconscionable.

11 After researching, it appears that
12 these taxpayers received veterans tax
13 exemption and the five-year phase-in was not
14 applied to their properties.

15 Accordingly, we should get to the
16 bottom of this and we seek to do so today. I
17 can only say I hope to get answers today. I
18 have completely no faith that this phase-in
19 was implemented properly by the Department of
20 Assessment or this administration, and I hope
21 to get some clear and concise answers today.
22 Again, thank you to Mr. Miles and Mr. May for
23 being here.

24 And finally, to concerned residents
25 who are watching online or submitted written

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2 comments, thank you for your participation.
3 We wish you could be here in person and look
4 forward to the day when we can welcome you
5 back into the chamber. But for today we have
6 received, at least I have received a handful
7 of public comments, about seven, and after I
8 give an opportunity to anybody from the
9 Minority to say a few words to open up the
10 hearing I would like to read them into the
11 record.

12 LEGISLATOR KOPEL: Delia, do you
13 have anything to say?

14 LEGISLATOR DERIGGI-WHITTON: I
15 think that it's important to have these
16 hearings whenever there is something,
17 especially like some type of a mechanism that
18 seems to have let's say a glitch. From what
19 I'm understanding, this was the procedure
20 that's been followed for a number of years
21 with the veterans to give them as many
22 benefits for their time served as we possibly
23 can. But it looks like something went wrong
24 as far as the formula and I'm glad we're
25 having this hearing to approach it, to

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2 basically see what the glitch is and what the
3 problem was and to try to change the standard
4 practice.

5 I think everyone knows that we all
6 truly care for our veterans and if we had to
7 pick a group, not that we'd ever want hurt
8 anyone, but they're the ones we'd want to
9 protect the most probably. But we will make
10 sure that it's corrected and that it never
11 happens again in the future. Thank you for
12 having this hearing.

13 LEGISLATOR KOPEL: Okay then. I
14 guess I'll start. First I'd like I guess
15 Mr. Miles and then you Mr. May, would you just
16 describe your position as well as your
17 experience. Would you go ahead and do that
18 for us please.

19 MR. MILES: I'm sorry legislator,
20 it was difficult to hear you. Can you please
21 repeat the question?

22 LEGISLATOR KOPEL: What I said to
23 start out, if I may, I'd like you to first
24 you, Mr. Miles and then Mr. May, just describe
25 your job and your background, your experience

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2 and your education for it.

3 MR. MILES: So, my name is Robert
4 Miles. I'm a deputy assessor and counsel for
5 the Department of Assessment at this moment.
6 I'm here to discuss the Department of
7 Assessment and the issues and questions that
8 the legislators have.

9 MR. MAY: Good morning. My name
10 is Jeremy May. I am currently the vice
11 chairperson and a commissioner of the
12 Assessment Review Commission. This is a
13 position I've served in going on three years
14 in April. Prior to that I was a deputy county
15 attorney in the tax certiorari bureau for I
16 believe five to six years. I am a licensed
17 attorney in the state of New York. Went to
18 law school at Hofstra.

19 LEGISLATOR KOPEL: Very good.
20 Mr. Miles, how long have you been in your
21 position?

22 MR. MILES: I've been with the
23 county for three years sir. First starting
24 off with the county attorney's office serving
25 as counsel and deputy county attorney from

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2 there and then moving over here full time a
3 year later.

4 LEGISLATOR KOPEL: Do you have
5 any background in assessment?

6 MR. MILES: I'm a deputy assessor
7 here and counsel here. By the way
8 legislators, it is somewhat difficult to hear
9 you. I don't know if it's an issue with my
10 audio or this is a question for Kevin Long.

11 LEGISLATOR KOPEL: Let me ask
12 you, Mr. May, do you hear me fine?

13 MR. MAY: There is a bit of an
14 echo in the chamber so it can be difficult to
15 hear the members that are live.

16 LEGISLATOR KOPEL: It's going to
17 be a problem. Kevin. Why don't we all wait a
18 moment and see if we can figure this out.
19 Thank you for pointing it out.

20 MR. MILES: I don't want to be
21 difficult. I just want to be able to hear
22 everything.

23 LEGISLATOR KOPEL: I'm told maybe
24 it's my fault. Do you hear me better now?

25 MR. MILES: A little bit better

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2 legislator.

3 LEGISLATOR KOPEL: Mr. Miles is
4 not completely convinced.

5 MR. MILES: My apologies.

6 LEGISLATOR FERRETTI: Mr. Miles,
7 are you hearing me better? Is it possibly
8 Mr. Kopel's microphone?

9 MR. MAY: In comparison yes
10 legislator. I would say your feed is clearer.

11 MR. MILES: Clearer. It could be
12 improved but yes, clearer.

13 LEGISLATOR KOPEL: Let me try to
14 get as close to the mic as I can and we will
15 work this way. Mr. Miles, when you go ahead
16 and you perform assessments for -- you're
17 doing a mass assessment obviously over here in
18 Nassau County with a number of properties that
19 we've got, what are the primary data fields
20 for the various property classes that you --

21 MR. MILES: Legislator, I'm very
22 sorry, it's garbled. I'm not sure what the
23 issue is.

24 LEGISLATOR KOPEL: Maybe I'll
25 move. Mr. May, do you hear me fine?

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2 MR. MAY: I do have a difficulty
3 sir. I think I caught the gist of your
4 question but I would understand why Mr. Miles
5 might be having some difficulty.

6 LEGISLATOR KOPEL: Is this any
7 better?

8 MR. MAY: Sir, the issue is, as I
9 mentioned before, it seems there's an echo.
10 You over yourself.

11 LEGISLATOR KOPEL: It's the echo
12 that's a problem? This is not better?

13 MR. MILES: I think Mr. May is
14 correct, there's an echo. I do want to be
15 able to clearly hear the question so I can
16 answer effectively.

17 LEGISLATOR KOPEL: Here we go
18 again. What I asked was for the various
19 classes of properties that are being assessed
20 what are the data fields that you collect?
21 What are the data fields that you use in
22 performing your assessment of the various
23 properties?

24 MR. MILES: So, what I'm
25 gathering from the question is you're asking

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2 what data is collected?

3 LEGISLATOR KOPEL: The different
4 classes of data. In other words, you're
5 obviously looking at addresses, you're looking
6 at -- what are the different factors that are
7 used in assessing properties?

8 MR. MILES: The assessment
9 personnel gather inventory data, petitions and
10 they also inspect properties to gather this
11 data. Inventory data includes square footage
12 of land, square footage of the improvement of
13 the home. The number of bathrooms and the
14 fixtures in the bathroom. Fireplaces. The
15 style of the home. The quality, grade of the
16 home. And then for new construction, like I
17 said before, we rely on permits and physical
18 inspections.

19 LEGISLATOR KOPEL: So, you do not
20 do physical inspections for most homes? Do
21 you do physical inspections outdoors, at least
22 outside physical inspections, for most homes
23 or just for new construction?

24 MR. MILES: We mostly do the
25 inspections for new constructions but due to

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2 advancements in technology we are now able to
3 view and measure square footage using aerial
4 footage.

5 LEGISLATOR KOPEL: Do you
6 consider the age of a home and the condition
7 of a home? I guess it's pretty impossible for
8 you to do that, right?

9 MR. MILES: We do the best we can
10 with the age and the condition of the home.
11 Obviously newer homes you're able to ascertain
12 the condition. But actually the data is quite
13 good here regarding the age of the home.
14 Condition does change more dramatically
15 obviously. You can tell what the age is based
16 on when the property was built with the
17 condition. Some homeowners just do
18 renovations inside that don't affect the
19 square footage or the structure of the home
20 and that will obviously change the condition
21 of the home in general.

22 LEGISLATOR KOPEL: Do you look at
23 building records to ascertain whether or not
24 there have been renovations?

25 MR. MILES: We do view building

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2 records. We actually retrieve building
3 department records from the villages and towns
4 to get a better view of the homes in Nassau
5 County.

6 LEGISLATOR KOPEL: For every
7 home? Do you do that for every home?

8 MR. MILES: Not every home is
9 going to have a permit or do reconstruction.

10 LEGISLATOR KOPEL: Do you look at
11 every home to ascertain whether or not that
12 particular home does have such a permit
13 outstanding or closed I should say?

14 MR. MILES: I'm very sorry
15 legislator, I lost the last half of the
16 sentence.

17 LEGISLATOR KOPEL: You said you
18 do look at various homes to see if there are
19 permits that have been issued and actually
20 closed out. Do you look at all homes to
21 ascertain whether or not such a permit has
22 been issued?

23 MR. MILES: We don't actually
24 need to look at all homes for permitted
25 issues. The permits are actually maintained

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2 by the building departments of the other
3 municipalities and then we collect those
4 permits and review those permits. It's a
5 system that we've been using for a while and
6 it has worked in the past and it does continue
7 to work moving forward. Having the good
8 relationship with the municipal building
9 departments helps us greatly.

10 LEGISLATOR KOPEL: When you say
11 you collect them, do you on a regular basis
12 get all of those permits that have been
13 issued?

14 MR. MILES: As regularly as
15 possible. Some building departments are a
16 little bit smaller than others and have
17 smaller shops. So it may take some time to
18 get the information from them. Not every
19 building department uses electronic
20 recordkeeping. So paper format is obviously a
21 bit slower. We gather whenever the building
22 departments are able to send the information.

23 LEGISLATOR KOPEL: Since you
24 don't get all of the information as you've
25 just said because some of the building

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2 departments don't send it regularly you're
3 definitely going to have quite a bit of
4 inaccuracies introduced into the process.

5 MR. MILES: I don't believe
6 legislator I said we don't collect all the
7 data. I just said for some building
8 departments it's harder to deliver the
9 information in a timely manner but we still
10 request that they do so and actively go and
11 retrieve it.

12 LEGISLATOR KOPEL: Ultimately you
13 do get everything; is that right?

14 MR. MILES: Yeah. We get all the
15 permits from the building departments. They
16 are all very cooperative.

17 LEGISLATOR KOPEL: What is
18 valuation approach that you use for
19 residential properties? Do you use the cost
20 approach? I'm sorry, you don't use the cost
21 approach anymore obviously. You use the sales
22 comps? Is that what your approach is? What
23 is the approach for valuation?

24 MR. MILES: Are you talking about
25 the market analysis?

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2 LEGISLATOR KOPEL: Yes.

3 MR. MILES: Yes, that is the
4 prevailing method used by assessors throughout
5 the state and country is the market analysis
6 using the comparable sales approach.

7 LEGISLATOR KOPEL: What do you do
8 when there's not a lot of sales in an area?

9 MR. MILES: You try to gather as
10 much information from the school district and
11 if not, a little bit farther out. And then
12 you base the most comparable sales to that
13 building on the subject property and then
14 compare the differences in the inventory
15 between the two. Or obviously more than two
16 but the other comparable sales.

17 LEGISLATOR KOPEL: So, why don't
18 you go ahead just for the benefit of people
19 who are struggling with this rather arcane
20 concept tell us about the level of assessment
21 and how it's applied, how it's established. I
22 know there's a point one percent legal or a
23 level set by the county. But every year in
24 the past you would go ahead and either have it
25 established by the court or negotiated -- when

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2 I say you I meant the department -- would have
3 an actual level of assessment either set by
4 the court or negotiated. What's happening now
5 so that you make sure that you've got equity?

6 MR. MILES: I believe I got most
7 of the question and I will start with what I
8 heard clearly was what is the level of
9 assessment and the level of assessment is the
10 ratio between the market values in the
11 assessing district and the assessed values in
12 the assessing district which creates a ratio.
13 When you develop an assessment you multiple
14 the market value by that ratio or level of
15 assessment to produce the assessment.

16 LEGISLATOR KOPEL: You used to
17 negotiate the actual level with I guess the
18 tax certiorari firms?

19 MR. MILES: The Department of
20 Assessment doesn't negotiate the level of
21 assessment.

22 LEGISLATOR KOPEL: Not anymore
23 but there was for awhile. Actually ARC did,
24 right?

25 MR. MILES: No. Department of

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2 Assessment never negotiated the level of
3 assessment. The level of assessment is set by
4 the Department of Assessment and that's it.

5 LEGISLATOR KOPEL: Let me ask you
6 Mr. May, how about you, does your department
7 negotiate the actual level or has it in the
8 past?

9 MR. MAY: It wouldn't be correct
10 to say that we negotiate the level,
11 legislator. The ratio can be challenged as
12 part of an application to the Assessment
13 Review Commission and the Assessment Review
14 Commission as part of this review of an
15 application would have to make a determination
16 if the level of assessment was accurate or
17 some modification need be made.

18 LEGISLATOR KOPEL: So, in the
19 past that has not been a matter of discussion
20 among the various firms together with your
21 group?

22 MR. MAY: In the past, the
23 Assessment Review Commission in arriving at a
24 determination of level of assessment does
25 enter discussion with representatives and

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2 representative firms to arrive at a figure
3 that is accurate. They have input and they
4 make their suggestions as to what the actual
5 level of assessment is. But ultimately the
6 Assessment Review Commission does have the
7 responsibility of making its own determination
8 as to that number.

9 LEGISLATOR KOPEL: Of course.
10 How is that number working out lately?
11 Pre-SCAR hearings, how is that level working
12 out? Pre-ARC, I'm sorry.

13 MR. MAY: In that context,
14 legislator, that's a bit difficult to answer.
15 If you're talking about SCAR, the tax year
16 that most recently was at SCAR was the '21-'22
17 year. Is that what you are interesting in
18 learning about?

19 LEGISLATOR KOPEL: Yes.

20 MR. MAY: For the '21-'22 year
21 the Department of Assessment published at a
22 ratio of one -- Mr. Miles can correct me if
23 that's incorrect -- and the Assessment Review
24 Commission ultimately used a ratio of .95.

25 LEGISLATOR KOPEL: How has that

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2 worked out post-ARC?

3 MR. MAY: I'm not sure I
4 understand, sir.

5 LEGISLATOR KOPEL: You've had a
6 number of negotiated reductions as you go
7 through the process; isn't that right? Now
8 that's going to affect the ratio ultimately,
9 the actual ratio, doesn't it?

10 MR. MAY: Well, again, I would
11 have to clarify which tax year you're
12 specifically asking about. If we're still
13 talking about '21-'22 --

14 LEGISLATOR KOPEL: Yes. Let's
15 stick to one period.

16 MR. MAY: Sure. If we're talking
17 about tax year '21-'22, after ARC makes its
18 determination as to level of assessment and
19 carries forward with its final determinations,
20 those determinations would not be affecting
21 ratio in that same tax year. They could have
22 potentially a future effect depending on what
23 the Department of Assessment does with that
24 updated roll because there would be
25 modifications to the roll after ARC's review

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2 period.

3 And if for whatever reason those
4 new values from the Assessment Review
5 Commission were not appreciated, then it is
6 possible that those reductions could have an
7 impact on future years. But as far as the
8 year itself that ARC is working on, ARC's
9 determination as to level of assessment and
10 its final determinations don't typically have
11 an impact in that same tax year.

12 LEGISLATOR KOPEL: I understand
13 what you're saying but what I'm suggesting to
14 you is, yes, it would have on the future years
15 and I get that. But reductions actually, if
16 they were applied to the same year, in other
17 words, they would have -- legally you won't
18 apply it to the same year, I understand. But
19 if they had been applied that would have
20 distorted the ratio, wouldn't it? In other
21 words, if you take those reductions, you back
22 them in, you would have resulted in a
23 different LOA.

24 MR. MAY: When you say back it
25 in, legislator, it almost seems like you're

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2 asking if ARC's corrections were what the
3 Department of Assessment started with when
4 they published their tentative roll.

5 LEGISLATOR KOPEL: Obviously
6 they're not.

7 MR. MAY: So, then sir, I'm
8 failing to understand your question. I
9 apologize.

10 LEGISLATOR KOPEL: What I'm
11 saying is that with all the reductions -- the
12 reductions mean that the LOA in many cases was
13 not correct? The one that was established.

14 MR. MAY: ARC ultimately
15 disagreed with the Department of Assessment,
16 yes.

17 LEGISLATOR KOPEL: And that was
18 my question. What is the extent of that
19 disagreement? Have you quantified it?

20 MR. MAY: Well, we can compare
21 the Department of Assessment's starting level
22 of assessment of one to the value that ARC
23 determined which was .95. So, there's a five
24 percent difference. I'm not sure by what
25 other metric you might want to try to quantify

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2 that.

3 LEGISLATOR KOPEL: And the five
4 percent is that nationally acceptable
5 Mr. Miles?

6 MR. MILES: Yes. Five percent is
7 acceptable.

8 LEGISLATOR KOPEL: What do you
9 call that? Okay.

10 MR. MILES: It's acceptable range
11 for the Office of Real Property Tax Services.

12 LEGISLATOR KOPEL: Have you, and
13 I will put this question to both of you, the
14 differential, the price-related differential
15 for high-priced and low-priced homes. My
16 question to you is, have you seen that there's
17 a difference in equity in terms of the
18 assessed valuations over there? Do you see
19 that the high-priced homes might sometimes
20 tending to be a little bit -- the LOA of
21 high-priced and low-priced homes let me put it
22 that way, have you looked at that, either of
23 you?

24 MR. MILES: I think the level of
25 assessment is universally applied.

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2 LEGISLATOR KOPEL: What I'm
3 asking is, do you find that it has been
4 consistently applied between high-priced and
5 low-priced homes? I don't know mean legally.
6 Obviously you're going to do that. I'm
7 talking about post-ARC. What is your
8 experience Mr. May?

9 MR. MAY: That is not a field
10 that we have looked at very, or at least I
11 don't have an answer for that right now. That
12 would be something that I would have to
13 investigate and get back to you on.

14 LEGISLATOR KOPEL: Let me go Mr.
15 May to some of your -- what is the average
16 reduction in '19-'20 at ARC?

17 MR. MAY: I don't have that
18 number immediately available to me
19 legislator. I would happy to get that for
20 you.

21 LEGISLATOR KOPEL: That would be
22 important.

23 MR. MILES: Legislator the
24 '19-'20 tax year?

25 LEGISLATOR KOPEL: Yes.

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2 MR. MILES: The year prior to
3 the --

4 LEGISLATOR KOPEL: I'm sorry.
5 No, no, no. '20-'21 sorry.

6 MR. MAY: Legislator, I don't
7 have that figure at my fingertips but I can
8 certainly get it for you.

9 LEGISLATOR KOPEL: The tax impact
10 notices versus the actual taxes as they came
11 out how do you find that they worked out?

12 MR. MILES: Legislator, I'm not
13 sure what the question is.

14 LEGISLATOR KOPEL: We sent out
15 tax impact notices several times versus
16 actually taxes, final taxes. How accurate
17 were the impact notices, that was my question.

18 MR. MILES: Remember when we
19 testified back in the fall and then again in
20 the winter, I think several times, we were
21 using the '19-'20 tax rates because we did not
22 have the '20-'21 tax rates. We said these
23 were projections based on the previous year if
24 the school taxes remained the same and
25 obviously they did not. They increased based

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2 on the budgetary needs of the schools in a
3 pandemic-riddled year. So, the projections
4 were different once the tax rates changed.
5 But I'm fairly positive that we intimated to
6 this body that we were using a previous school
7 tax year.

8 LEGISLATOR KOPEL: Are you saying
9 that the inaccuracies in the projections were
10 primarily due to school budget increases?

11 MR. MILES: I'm saying that it
12 has an effect on the projections, absolutely.
13 If the average increase in the school budget
14 is two percent or higher and some of these
15 school districts do not have a large number of
16 parcels in it then yes, it will affect --

17 LEGISLATOR KOPEL: I understand
18 that but what I asked you was, are you saying
19 that the differentials from the projections
20 were primarily due to school tax increases?
21 School budget increases?

22 MR. MILES: I'd have to take a
23 further dive but yes, I believe that is
24 definitely --

25 LEGISLATOR KOPEL: That was not

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2 my impression. Could you check and get back
3 to us?

4 MR. MILES: I beg to differ.
5 There was a significant increase in the school
6 taxes to make up for a year of struggle for
7 these schools for the pandemic.

8 LEGISLATOR KOPEL: I have just a
9 few more questions then I will turn it over to
10 other people and maybe I will come back. New
11 construction. They didn't get the phase-in;
12 is that right?

13 MR. MILES: Correct.

14 LEGISLATOR KOPEL: Doesn't that
15 work to actually discourage new construction
16 in the county?

17 MR. MILES: I'm not sure
18 legislator, but legally it was consistent with
19 other taxpayer protection plans for 485(s)
20 which are sections of the real property tax
21 law where new construction was excluded from
22 reassessment exemptions.

23 LEGISLATOR KOPEL: I'm not
24 quarreling with the fact that that was the law
25 but we asked for some changes in the law and

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2 I'm suggesting that perhaps that ought to have
3 been one of the changes as well. People who
4 planned and started new construction,
5 sometimes years in advance, were shocked to
6 find that their taxes were sometimes multiples
7 of what they had anticipated and for those
8 people that's a disaster.

9 MR. MILES: Legislator, this
10 isn't a new issue. This is something that
11 occurred during the previous tax rolls in a
12 frozen roll where you had very low,
13 undervalued properties and then the new
14 construction would be implemented in full on
15 the assessment rolls. So, this is not an
16 entirely new situation. This is something
17 that occurred during the previous
18 administration for previous tax rolls and is
19 it something that we are looking at now. As
20 compared to previous administrations, there's
21 an attempt by this one to improve that
22 situation.

23 LEGISLATOR KOPEL: Well, I think
24 we ought to go ahead and do something actively
25 to try to fix that. I think we're probably

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2 not doing enough.

3 Mr. May and Mr. Miles, the claim
4 has been made by the administration that the
5 '20-'21 roll was probably the most accurate
6 in history and ARC has generally supported
7 that by adhering pretty closely. You said,
8 what is it you say, .95 LOA versus the point
9 one which is --

10 MR. MILES: The '20-'21 ratio at
11 ARC was point 1 for '20-'21.

12 LEGISLATOR KOPEL: What I've been
13 hearing -- and correct me if I'm wrong about
14 that -- I've heard that you've got about 15
15 percent reductions in ARC; is that about
16 right?

17 MR. MAY: In '20-'21? When you
18 say 15 percent are you talking about --

19 LEGISLATOR KOPEL: Numbers of
20 cases.

21 MR. MAY: As percentage of
22 cases. Give me one moment please. You're
23 asking about the reductions as far as
24 percentage of cases. Give me one moment
25 please. I don't have the percentage of

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2 overall cases but I can get that to you before
3 the end of the day.

4 LEGISLATOR KOPEL: That would be
5 useful, thank you. Now, I've been hearing
6 that many of the cases the Department of
7 Assessment at the hearing submitted evidence,
8 and I think actually in a large majority
9 that's what I've been hearing of cases the
10 Department of Assessment has submitted
11 evidence at the hearings that in fact the
12 assessed valuation was too low and ought to
13 have been higher. Am I hearing correctly?

14 MR. MILES: You're talking about
15 for the '20-'21 SCAR season?

16 LEGISLATOR KOPEL: Yes.

17 MR. MILES: I don't know if
18 that's generally the case. Also, there's a
19 difference between valuation and defense.
20 When we do a valuation, mass appraisal uses
21 large swabs of sales in the county and then
22 continues to, you know, polish the values
23 until it gets to the assessment. When you do
24 a defense you only stick with the five
25 comparables that you have at your disposal.

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2 So, it is a slightly different tack used at
3 SCAR because it's defense versus multiple
4 regression analysis. But I still do not find
5 that the majority of cases were where the
6 average market value was over. I think all of
7 the submissions that we sent to the court were
8 quite fair actually.

9 LEGISLATOR KOPEL: I'm not asking
10 about fairness. What I'm asking right now,
11 Mr. May I will ask you that. What percentage
12 of the cases did the Department of Assessment
13 come in and say that the valuation was
14 actually too low on the tax roll?

15 MR. MAY: Legislator, I'm afraid
16 I don't have any insight into what the
17 Department of Assessment did in their SCAR
18 defenses.

19 LEGISLATOR KOPEL: Okay. I would
20 like to know the number or the percentage of
21 cases in which the Department of Assessment is
22 claiming that their actual valuation is too
23 low. Because you're actually coming in with
24 two valuations on the same day. You got the
25 tax roll and you've got -- now you're saying

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2 that it actually ought to have been higher.
3 You actually raise taxes after these hearings,
4 do you?

5 MR. MAY: Assessments cannot be
6 raised at SCAR.

7 MR. MILES: Legislator, both of
8 us are confused as to the question being
9 asked.

10 LEGISLATOR KOPEL: What I'm
11 saying is that when the department comes in
12 and says that not only was the valuation not
13 too high it was actually too low.

14 MR. MILES: That's not what the
15 department says when it goes to SCAR. The
16 department is there to defend the value that
17 it placed onto the roll. It does not make an
18 opinion --

19 LEGISLATOR KOPEL: I understand
20 you're defending the value but do you actually
21 claim that it ought to be higher? That's what
22 I'm hearing.

23 MR. MILES: That is not how you
24 litigate a case. It's for defense purposes
25 only. We are not making a secondary opinion

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2 as to whether the assessment is too high or
3 too low. We are there to defend the value.

4 LEGISLATOR KOPEL: In the course
5 of such defense you don't come in ever and say
6 that actually I've got evidence that the value
7 really ought to have been higher?

8 MR. MILES: We don't say that the
9 value ought to have been higher. We are
10 saying we are sustaining the value.

11 LEGISLATOR KOPEL: Do you present
12 evidence that the value ought to have been
13 higher.

14 MR. MILES: We present evidence
15 that sustains the value.

16 LEGISLATOR KOPEL: Okay.
17 Mr. Ferretti.

18 LEGISLATOR FERRETTI: Thank you
19 Deputy Presiding Officer. Good morning
20 Mr. Miles, Mr. May. Can you hear me well?

21 MR. MAY: Yes.

22 MR. MILES: I don't know what the
23 issue was with Legislator Kopel.

24 LEGISLATOR FERRETTI: I'm glad
25 you can hear me because I have a lot of

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2 questions so I'm going to ask you to bear with
3 me as I go through them and ask my colleagues
4 for that same courtesy as well. I'll try to
5 be as quick as I can and I will try to start
6 with Mr. Miles and I'll hold off on the
7 questions for Mr. May until after I'm done
8 with the questions for Mr. Miles.

9 Before I get to my questions I do
10 want to follow-up on something that Deputy
11 Presiding Officer Kopel brought up and that
12 was permits, slash, certificates of occupancy
13 that get sent from local municipalities.
14 Those being the towns, villages to the
15 county. Do you know, Mr. Miles, of any lag
16 time between the time that a certificate of
17 occupancy is obtained from a resident until
18 the time that the county gets a hold of it?

19 MR. MILES: I'm not aware of the
20 actually lag time or what the averages are or
21 any relationship between the building
22 department who sends it and the lag time with
23 the certificate of occupancy. I'm pretty
24 certain it varies but I'm not sure. I haven't
25 studied that.

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2 LEGISLATOR FERRETTI: COs are
3 dated, right?

4 MR. MILES: Yes.

5 LEGISLATOR FERRETTI: For
6 example, in the Town of Hempstead the COs that
7 you're receiving this year when are they
8 dated? Are they generally from the same time
9 period or are they all mixed and jumbled? In
10 other words, you're receiving COs from 2019
11 this year?

12 MR. MILES: No. I believe
13 they're more recent.

14 LEGISLATOR FERRETTI: Okay. Now,
15 if you don't have information on a particular
16 piece of property, CO information, then the
17 assessment will not reflect any of that work,
18 correct? Let me give you an example. If a
19 house gets a dormer on top of it and they get
20 a CO for that, if you don't have the
21 information, if you don't have a record that
22 there's a CO for a dormer you don't assess on
23 that, onto this reassessment, correct?

24 MR. MILES: There is a chance
25 that we won't be able to assess on that. But

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2 due to improvements in technology and aerial
3 footage we can actually start measuring the
4 square footage of increases to the exterior of
5 homes now.

6 LEGISLATOR FERRETTI: You could
7 but would you have any reason to? Is it a
8 practice to go to properties that have not
9 applied for a permit to go and measure their
10 properties?

11 MR. MILES: Some work
12 unfortunately is unpermitted.

13 LEGISLATOR FERRETTI: Right.
14 That's where I was getting. My next question
15 is, if the unfortunate situation happens where
16 a Nassau resident does not apply for a permit
17 as legally required -- which I'm sure never
18 happens -- how do you assess on that property
19 for that addition?

20 MR. MILES: We will do an
21 exterior inspection.

22 LEGISLATOR FERRETTI: But how do
23 you know that they're doing the work?

24 MR. MILES: Because there's still
25 a change in the property. If the improvement

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2 increases its square footage there's clearly
3 some work being done.

4 LEGISLATOR FERRETTI: How do you
5 know it increased in square footage? Is the
6 Department of Assessment regularly going out
7 and looking at every property in Nassau County
8 to ensure that the property is not increasing
9 in square footage?

10 MR. MILES: You can see. You can
11 compare.

12 LEGISLATOR FERRETTI: How do you
13 see it?

14 MR. MILES: We have footage like
15 I said. There's aerial footage and you can
16 compare from I believe every quarter the
17 difference in the home from the square footage
18 from the previous.

19 LEGISLATOR FERRETTI: Who in the
20 Department of Assessment is doing this
21 comparison each month?

22 MR. MILES: We have our assessors
23 doing this. Our field division.

24 LEGISLATOR FERRETTI: Your field
25 division is looking at this footage every

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2 month to ensure that -- they're comparing --
3 to make sure properties don't increase in
4 size?

5 MR. MILES: I mean, the footage
6 comes in every quarter. So that's the
7 timeline in terms of checking. And we were
8 very luckily to have this technology. It's
9 improved our workplace greatly.

10 LEGISLATOR FERRETTI: I would
11 look into different technology because I've
12 had a lot of residents call and complain that
13 neighbors of their's who don't have COs are
14 not being assessed on additions to their
15 property because under this reassessment if
16 the county doesn't have a record of the COs
17 they're not assessing on it. But you're
18 telling me different. You're telling me that
19 Department of Assessment, which is too busy to
20 answer the phones, has enough staff to monitor
21 each property in Nassau County to make sure
22 that they're not increasing the size of the
23 house unpermitted, right?

24 MR. MILES: I'm saying that
25 there's improved technology that is helping us

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2 greatly.

3 LEGISLATOR FERRETTI: Just
4 theoretically though, if you missed one, if
5 one house in Levittown did a dormer and didn't
6 get a permit and you missed it, that
7 technology didn't catch it, that property
8 would not be accurately assessed, correct?

9 MR. MILES: If we have zero
10 technology, we have zero footage and permits
11 then obviously we would not be able to get
12 that if we have zero information. We cannot
13 assess with no information. That would be
14 unfair. You can't be assessing blindly in the
15 dark.

16 LEGISLATOR FERRETTI: Mr. Miles,
17 correct me if I'm wrong. Every reassessment
18 done in Nassau County prior to this
19 reassessment somebody went to each property to
20 assess it; isn't that correct?

21 MR. MILES: I'm not sure each
22 property was attended to in the previous
23 reassessments.

24 LEGISLATOR FERRETTI: So you
25 don't know?

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2 MR. MILES: So, in the
3 reassessments during the Levinson years I
4 believe there was some trending as well, which
5 is very common.

6 LEGISLATOR FERRETTI: Were there
7 on-site inspections on the previous
8 reassessments in Nassau County?

9 MR. MILES: There were some
10 on-site inspections but that's common amongst
11 all assessing jurisdictions.

12 LEGISLATOR FERRETTI: The
13 previous reassessments in Nassau County were
14 they done under a modeling?

15 MR. MILES: I just want to get
16 this point out. It is a constitutional issue
17 for us to barge in and force our ways into
18 homes. If we are not invited to the home we
19 will not, you know --

20 LEGISLATOR FERRETTI: Excuse me,
21 Mr. Miles, didn't you just testify two minutes
22 ago that Nassau County has technology where
23 there are aerial views of the size of the
24 property, the exterior of the property?
25 Didn't you just testify to that?

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2 MR. MILES: Correct. But if we
3 are not invited inside the home we are not
4 going --

5 LEGISLATOR FERRETTI: Who talked
6 about inside? I didn't talk about inside.
7 What I'm saying is, in previous reassessments
8 isn't it true that these site inspectors would
9 go to the property and look at it with human
10 eyes; isn't that true?

11 MR. MILES: Yes but --

12 LEGISLATOR FERRETTI: That's all
13 I'm asking. Thank you.

14 MR. MILES: Not every property
15 was attended to.

16 LEGISLATOR FERRETTI: Moving on.

17 MR. MILES: Like I said in the
18 past, not every assessment was based on an
19 inspection. There was trending involved.
20 This is a common practice throughout the
21 state.

22 LEGISLATOR FERRETTI: Newsday's
23 reported that 65 percent of residents saw tax
24 increases on their school tax bills as a
25 result of this reassessment. Is that report

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2 accurate?

3 MR. MILES: I'm not sure. I
4 didn't work on the report.

5 LEGISLATOR FERRETTI: What's your
6 assessment? What percentage of Nassau County
7 residents saw an increase in their school
8 taxes and their school tax bill that was due,
9 due to extensions, December 10, 2020?

10 MR. MILES: I'm sorry can you
11 repeat the question legislator?

12 LEGISLATOR FERRETTI: Sure. What
13 percentage of Nassau County residents saw an
14 increase to their school tax bill that was due
15 December 10, 2020? First half 2020? What
16 percentage saw an increase?

17 MR. MILES: I've seen the reports
18 of it being 60 percent.

19 LEGISLATOR FERRETTI: You saw 60
20 percent. Where did you see that report?

21 MR. MILES: I've seen the
22 reports. I don't know. It's 65 percent
23 Newsday. I haven't performed the report.

24 LEGISLATOR FERRETTI: The
25 Department of Assessment was very quick back a

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2 year or two ago to say only 52 percent would
3 see increases in their tax bill. So you came
4 up with that projection. But in the months
5 since the tax bills came through -- let me
6 finish -- not once did the Department of
7 Assessment calculate an actual impact to
8 Nassau residents on the school tax bills? You
9 can't tell me what percentage of residents saw
10 an increase in their school tax bill?

11 MR. MILES: If you recall when I
12 said earlier that the tax impact notices that
13 we sent out multiple times were based upon the
14 '19-'20 school budget.

15 LEGISLATOR FERRETTI: That's
16 fine. I'm not talking about that. I'm not
17 talking about the tax impact notices.

18 MR. MILES: That would be the
19 difference between the '19-'20 school taxes
20 and the '20-'21 school taxes. There is an
21 increase in the budget.

22 LEGISLATOR FERRETTI: What I'm
23 asking you is a very simple question. Do you
24 know, yes or no, what percentage of Nassau
25 County residents saw a school tax increase on

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2 their first half '20-'21 school tax bill? Do
3 you know that?

4 MR. MILES: I have not done the
5 report and I will not comment on a report I
6 did not do.

7 LEGISLATOR FERRETTI: Has anyone
8 from the Department of Assessment calculated
9 that number?

10 MR. MILES: It's been calculated
11 by other experts. I have not seen the
12 department calculate that number.

13 LEGISLATOR FERRETTI: How many
14 school districts are in Nassau County?

15 MR. MILES: I believe 54.

16 LEGISLATOR FERRETTI: Out of
17 those 54 do you know how many pierced the two
18 percent property tax cap?

19 MR. MILES: A large portion
20 pierced the two percent property cap.

21 LEGISLATOR FERRETTI: Is that
22 right?

23 MR. MILES: A large percentage.

24 LEGISLATOR FERRETTI: Are you
25 sure?

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2 MR. MILES: Yes.

3 LEGISLATOR FERRETTI: Do you know
4 which school districts did not pierce the
5 cap?

6 MR. MILES: A few but I don't
7 know them offhand.

8 LEGISLATOR FERRETTI: If a school
9 district pierces the property tax cap are the
10 residents within the school district penalized
11 in any way by the state in terms of
12 exemptions?

13 MR. MILES: No. I don't believe
14 they are penalized.

15 LEGISLATOR FERRETTI: Do they
16 lose any exemptions? Is there any impact on
17 those residents from the state?

18 MR. MILES: I don't think they
19 lose exemptions from -- from a county
20 standpoint it doesn't change the exemption
21 percentage because of the tax cap.

22 LEGISLATOR FERRETTI: On the
23 '20-'21 first half school tax bill --

24 MR. MILES: If anything, you
25 know, going over the tax cap is a necessity

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2 probably during a year like this.

3 LEGISLATOR FERRETTI: What makes
4 you say that? Did you speak to any of the
5 school districts about their budgets? Are you
6 aware of any reserves of those school
7 districts?

8 MR. MILES: We have people who
9 work here who have worked at school districts
10 and said it was a difficult year.

11 LEGISLATOR FERRETTI: Do you have
12 a breakdown of the property tax increases and
13 decreases in the first half school bills? I
14 know you can't give me a percentage that went
15 up but do you have any idea how many went up
16 less than \$500? How many went up between \$500
17 and a thousand etcetera?

18 MR. MILES: I don't have that
19 report.

20 LEGISLATOR FERRETTI: Has anyone
21 done a report like that in the Department of
22 Assessment?

23 MR. MILES: Not that I'm aware
24 of.

25 LEGISLATOR FERRETTI: Has it been

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2 broken down by school district the increases
3 and decreases?

4 MR. MILES: Not that I'm aware
5 of.

6 LEGISLATOR FERRETTI: Can it be?
7 Can you do it? Can the Department of
8 Assessment do a breakdown like that?

9 MR. MILES: We can break down by
10 school district. We'll have to break it down
11 on a by-parcel basis. 380,000 parcels. I'm
12 sure it can be done. It would take some time.

13 LEGISLATOR FERRETTI: I'd request
14 you do that and if you could provide it to the
15 Office of Budget Review I'd appreciate it.

16 MR. MILES: I'm marking it down
17 now.

18 LEGISLATOR FERRETTI: Mr. Miles,
19 I want to talk about what I touched on in my
20 introduction which was a recurring theme we're
21 hearing specifically from seniors and veterans
22 about anomalies in their general tax bill. My
23 office has received numerous calls from
24 veterans that received the eligible fund
25 veterans exemption. This is an exemption for

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2 veterans that bought homes using funds paid to
3 them for military service such as pensions,
4 bonuses, insurances, etcetera. Are you
5 familiar with that exemption, Mr. Miles?

6 MR. MILES: Yes. It's an older
7 exemption. One that was used in the past.
8 The state is attempting to move most veterans
9 over from the eligible fund veterans to
10 alternative veterans exemption.

11 LEGISLATOR FERRETTI: For each of
12 these homes a taxable value and therefore the
13 general fund taxes were increased
14 significantly. Some even more than doubled.
15 The Department of Assessment has not responded
16 to this, the majority's increase, beyond
17 indicating they are investigating. Are you
18 still investigating this issue?

19 MR. MILES: We've investigated
20 the issue. There are certain veterans who are
21 impacted on their special district fund. The
22 Adapt program did not contemplate the taxpayer
23 protection exemption for certain special
24 districts where we asked it to and where we
25 programed it to and for some reason it did

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2 not.

3 LEGISLATOR FERRETTI: I think
4 what you're saying is that veterans who are
5 receiving this exemption their phase-in got
6 messed up, right?

7 MR. MILES: Certain veterans.

8 LEGISLATOR FERRETTI: When you
9 say "certain veterans" is it the veterans that
10 are receiving the eligible fund veterans
11 exemption?

12 MR. MILES: My understanding is
13 not all of the eligible fund veterans were
14 affected. That some were affected and it
15 specifically affected certain special
16 districts.

17 LEGISLATOR FERRETTI: Which
18 special districts?

19 MR. MILES: Off the top of my
20 head I do not know. But there are certain
21 exemptions that do not apply to special
22 districts. But that is not the case for the
23 TPP. The TPP is to be applied to all county,
24 town and special districts.

25 LEGISLATOR FERRETTI: What you're

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2 saying is there was an error; is that right?

3 MR. MILES: There was an Adapt
4 computer program error.

5 LEGISLATOR FERRETTI: When you
6 say "Adapt computer program error" tell me
7 what Adapt is.

8 MR. MILES: Adapt is the internal
9 system that the department uses to administer
10 assessments.

11 LEGISLATOR FERRETTI: What
12 department?

13 MR. MILES: The Department of
14 Assessment.

15 LEGISLATOR FERRETTI: It's a
16 Department of Assessment error, right? Let's
17 not play word games here.

18 MR. MILES: It's a computer
19 error. The application was provided the
20 instructions to apply the taxpayer protection
21 plan to all districts and it did not.

22 LEGISLATOR FERRETTI: Why was
23 this error not identified in the quality
24 control process in the Department of
25 Assessment?

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2 MR. MILES: It's very complex in
3 terms of the special districts. There's 400
4 plus special districts throughout the county
5 and there's some overlap with certain parcels
6 and some that do not. It's very complex in
7 terms of the application of exemptions in the
8 tax bills for special districts. It's
9 actually easier to apply an exemption and send
10 out bills for the schools than it is for the
11 general because of the amount of
12 municipalities and districts in the county.

13 LEGISLATOR FERRETTI: What does
14 the department do to evaluate exemptions to
15 determine if they were calculated properly?
16 What is the actual quality control process in
17 the Department of Assessment for situations
18 like this? Is there one?

19 MR. MILES: I mean, generally we
20 reviewed the assessed values to ensure that
21 the assessed values are receiving the
22 percentage.

23 LEGISLATOR FERRETTI: So, is
24 there a quality control process for a
25 situation like this? Did someone miss this or

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2 there's just no safeguard?

3 MR. MILES: No. I believe this
4 is such a unique circumstance that it was
5 difficult to find until --

6 LEGISLATOR FERRETTI: When you
7 say it's unique, how many veterans, that are
8 now going to overpay or have been overpaying,
9 how many of them are there? How many received
10 this exemption in Nassau County?

11 MR. MILES: There are 8,000
12 eligible fund veterans. I believe there's --

13 LEGISLATOR FERRETTI: That
14 doesn't sound too unique. That sounds pretty
15 large.

16 MR. MILES: I'm describing the
17 amount of veterans in the county. I believe
18 there's 8,000 eligible fund, 40,000
19 alternative, maybe another 20 or 30 Cold War.
20 Some of them overlap. I believe there's
21 70,000 exemptions attributed to veterans. I
22 believe this is a much, much smaller
23 percentage than that because of the uniqueness
24 of the eligible fund exemption and some of the
25 other exemptions compared to the special

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2 districts and the taxpayer protection
3 exemption.

4 LEGISLATOR FERRETTI: How many
5 veterans were affected by this?

6 MR. MILES: I believe 4,000.

7 LEGISLATOR FERRETTI: So there
8 are 4,000 errors; is that correct?

9 MR. MILES: There was not 4,000
10 errors. There was a systematic computer error
11 that did not apply the exemption the way we
12 asked it to.

13 LEGISLATOR FERRETTI: I will
14 rephrase. You're saying there are 4,000
15 computer errors that did not apply the
16 exemption the way you wanted it to; is that
17 right, 4,000?

18 MR. MILES: I'm saying there was
19 one computer error that affected 4,000 people.

20 LEGISLATOR FERRETTI: 4,000
21 properties, right?

22 MR. MILES: Correct.

23 LEGISLATOR FERRETTI: Not 4,000
24 people?

25 MR. MILES: 4,000 properties, I

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2 apologize.

3 LEGISLATOR FERRETTI: I've had
4 multiple phone calls from veterans and so have
5 my colleagues and I'm sure on both sides of
6 the aisle that have called screaming about
7 this issue and they've told us to a man or
8 woman that the Department of Assessment is
9 acknowledging there's an error and saying it's
10 coming from the respective receiver of taxes
11 offices. Is that true?

12 MR. MILES: I'm not aware of
13 that. I've talked to one of the receivers who
14 said that one of our employees was making this
15 claim and we addressed that. But that is one
16 of the receivers.

17 LEGISLATOR FERRETTI: Did the
18 receivers of taxes calculate this exemption?

19 MR. MILES: No. The Department
20 of Assessment calculates the exemption.

21 LEGISLATOR FERRETTI: Do the
22 receivers of taxes qualify veterans for this
23 exemption? Who qualifies the veterans for the
24 exemption? Is it the receiver of taxes or is
25 it the county?

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2 MR. MILES: The veteran applies
3 for the exemption and then the department
4 reviews the application and then determines if
5 they meet the legal qualifications.

6 LEGISLATOR FERRETTI: What
7 department?

8 MR. MILES: The Department of
9 Assessment.

10 LEGISLATOR FERRETTI: So, is this
11 error to 4,000 properties, 4,000 properties
12 where veterans live, is that the county of
13 Nassau's error or is it the receiver of taxes
14 error? Let me rephrase. The county's
15 computer error or the receiver of taxes?

16 MR. MILES: I never claimed there
17 was a receiver error. I never claimed there
18 was.

19 LEGISLATOR FERRETTI: I'm not
20 saying you did. Mr. Miles, you're a deputy
21 county assessor, correct?

22 MR. MILES: I'm a deputy assessor
23 and counsel.

24 LEGISLATOR FERRETTI: Don't you
25 have staff there that you are the supervisor

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2 of?

3 MR. MILES: Yes.

4 LEGISLATOR FERRETTI: That's why
5 I'm asking you these questions. I understand
6 you didn't personally answer the calls, but if
7 your staff is answering the calls and
8 directing people to the receivers and saying
9 the receivers are making the error that's
10 something that you need to address, wouldn't
11 you agree?

12 MR. MILES: I have addressed it.
13 I think it was a singular circumstance and we
14 addressed it. I told the receiver as such and
15 he was very gracious.

16 LEGISLATOR FERRETTI: We have
17 4,000 properties that are now phased in --
18 aside from the ones we've already uncovered
19 and had previous hearings on -- now we've got
20 4,000 more. This affecting veterans and their
21 family members. What's the plan to rectify
22 this?

23 MR. MILES: There's the standard
24 New York State Real Property Tax Law set forth
25 in Article 5 that you can correct errors such

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2 as these.

3 LEGISLATOR FERRETTI: Excuse my
4 ignorance. What does that mean, Article 5?
5 How do we get these people their money back?
6 They've been overcharged. What are we doing
7 to get their money back?

8 MR. MILES: Based on timing, I
9 believe that we can correct the issue and
10 potentially change the tax bills before the
11 impacted parties have to overpay.

12 LEGISLATOR FERRETTI: So now
13 their general tax bills were already sent,
14 right? They're already on the website.
15 Presumably some have already paid it.

16 MR. MILES: We will work with the
17 town receivers for the solution in terms of
18 creating the corrected bills and those who
19 overpay and cannot get their money back will
20 receive a refund and receive a corrected bill
21 in the second half.

22 LEGISLATOR FERRETTI: So they'll
23 get a refund? They're not going to have to
24 wait for the second half to get a credit?
25 They'll actually going to get a check that's

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2 cut from the county sometime in the future to
3 reimburse them, correct?

4 MR. MILES: I'm not aware. I'm
5 not going to speak for the receivers in terms
6 of there being a credit or anything. The
7 standard practice is refund and then corrected
8 bill.

9 LEGISLATOR FERRETTI: Is the
10 county responsible for the funds that are lost
11 due to the correction?

12 MR. MILES: I lost you on the
13 last part.

14 LEGISLATOR FERRETTI: Is the
15 county responsible for the funds that are lost
16 due to the correction?

17 MR. MILES: Yes. The fiscal
18 impact is to the county under the county
19 guarantee.

20 LEGISLATOR FERRETTI: Just so we
21 are all clear on that, that means that
22 whatever is paid back is going to come from
23 the county even though the county didn't
24 collect all of that, right?

25 MR. MILES: Correct. We

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2 guarantee for the schools and the towns.

3 LEGISLATOR FERRETTI: Tell me the
4 calculation. What's the value of this 4,000
5 computer error mistake?

6 MR. MILES: I believe it's in the
7 five million range.

8 LEGISLATOR FERRETTI: When you
9 say the "five million range," is there an
10 exact number that's been calculated or just
11 based on your regulation it's five million?
12 Or is there no number that's actually been
13 calculated yet?

14 MR. MILES: Based on my
15 recollection but the calculation is being
16 confirmed.

17 LEGISLATOR FERRETTI: Would you
18 agree that that five million is now going to
19 have to be absorbed by all of Nassau
20 taxpayers?

21 MR. MILES: It's a five million
22 charged to the county.

23 LEGISLATOR FERRETTI: Who pays
24 that? It's the residents, right?

25 MR. MILES: I don't know the

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2 budgetary practices of the Office of Budget.

3 LEGISLATOR FERRETTI: Do you know
4 where that five million is going to come
5 from? What fund? Is it the general fund?

6 MR. MILES: I would ask that
7 question of the Office of Management and
8 Budget.

9 LEGISLATOR FERRETTI: Just going
10 to skip around a little bit. Like I said,
11 please bear with me. I know I'm taking up a
12 lot of your time.

13 In terms of the recent lawsuit that
14 was settled between the county and numerous
15 residents who sued the county over the
16 reassessment, there were settlement terms that
17 were agreed upon by the county that I would
18 like to ask you about and ask where we are in
19 terms of compliance to those terms. Meaning
20 the Department of Assessment.

21 One of the settlement terms.

22 Defendants will revise the county's
23 assessment website and any mail disclosures by
24 specifically eliminating the, quote,
25 calculation ladders, end quote, or, quote,

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2 ladder reports, end quote, by including on the
3 assessment website plain English narratives
4 and hyperlinks substantially as set forth in
5 exhibit B and by consolidating and
6 streamlining public access to the assessment
7 website.

8 Has this been done?

9 MR. MILES: I'm sorry I lose you
10 a little bit when you lean down.

11 LEGISLATOR FERRETTI: Are you
12 familiar with the settlement, sir?

13 MR. MILES: I'm familiar with the
14 settlement.

15 LEGISLATOR FERRETTI: Are you
16 aware of the fact that the county agreed to
17 numerous transparency items that they would
18 comply with?

19 MR. MILES: I know there were
20 some agreements in the settlement.

21 LEGISLATOR FERRETTI: Are you
22 aware if the Department of Assessment has
23 complied?

24 MR. MILES: I'm sorry?

25 LEGISLATOR FERRETTI: Has the

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2 Department of Assessment complied with the
3 settlement agreement?

4 MR. MILES: I believe the
5 department is working on what's been agreed
6 upon.

7 LEGISLATOR FERRETTI: I'm sorry.
8 You've been working on what?

9 MR. MILES: I'm sorry, I keep
10 losing you. I apologize.

11 LEGISLATOR FERRETTI: They're
12 working on what?

13 MR. MILES: I believe we're
14 working on what has been agreed upon.

15 LEGISLATOR FERRETTI: Is there
16 any anticipated time period where you're going
17 to be in compliance? Because I don't see
18 anything in the settlement agreement saying
19 you have a year. I mean, we're talking about
20 making minor adjustments to the website. Why
21 is it taking this long?

22 MR. MILES: I will check with the
23 IT department.

24 LEGISLATOR FERRETTI: One of the
25 items that the county agreed to comply with.

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2 Defendants, meaning the county, will make
3 public all the approximately 180 independent
4 variables that were used in the
5 computer-assisted mass appraisal modeling in
6 the reassessment and the coefficients for
7 those variables in each market area.

8 Has this been made public?

9 MR. MILES: I believe it will be
10 made public.

11 LEGISLATOR FERRETTI: I would
12 hope it will be. You agreed to do it. But
13 has it been yet?

14 MR. MILES: Not that I'm aware
15 of.

16 LEGISLATOR FERRETTI: Why?

17 MR. MILES: I don't know. I will
18 talk with the IT department. There's no
19 nefarious reason why.

20 LEGISLATOR FERRETTI: Defendants
21 will publish maps on the assessment website
22 showing all the market areas and neighborhoods
23 used in the reassessment and explain how the
24 neighborhood coefficients were determined in
25 each market area. Where can I find these

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2 maps?

3 MR. MILES: The neighborhood

4 maps?

5 LEGISLATOR FERRETTI: No. What I
6 just read. Defendants will publish maps on
7 the assessment website.

8 MR. MILES: I don't mean to be
9 rude. Like I said, sometimes when you're
10 bending down I miss some of the words.

11 LEGISLATOR FERRETTI: I
12 apologize. I will try to speak more clearly
13 into the microphone.

14 MR. MILES: Thank you.

15 LEGISLATOR FERRETTI: You're
16 welcome. Defendants will publish maps on the
17 assessment website showing all the market
18 areas and neighborhoods used in the
19 reassessment and explain how the neighborhood
20 coefficients were determined in each market
21 area.

22 Has this been published on the
23 website?

24 MR. MILES: Not that I'm aware
25 of.

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2 LEGISLATOR FERRETTI: For a
3 period of not less than three years from the
4 date of this settlement agreement, defendants
5 will perform periodic reviews at least
6 annually of the neighborhood and market
7 designations. Has this been done?

8 MR. MILES: Not that I'm aware
9 of. We're in a paused roll.

10 LEGISLATOR FERRETTI: In the next
11 seven years, defendants agree to perform
12 comparative market analysis for the 3,000
13 highest valued and 3,000 lowest valued
14 properties in the county to assure the
15 continued fairness and accuracy of evaluation
16 of those properties.

17 Has the first analysis been
18 performed?

19 MR. MILES: We haven't performed
20 evaluations since it's a paused roll.

21 LEGISLATOR FERRETTI: So no?

22 MR. MILES: We haven't valued
23 anything. There has been a paused roll. It
24 would be counterintuitive to value 6,000
25 properties and leave the rest of them.

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2 LEGISLATOR FERRETTI: Isn't that
3 independent of the roll?

4 MR. MILES: Why would that be
5 independent of the roll?

6 LEGISLATOR FERRETTI: Comparing
7 the market analysis doesn't mean you have to
8 change the roll. You can do that with a
9 frozen roll, can't you?

10 MR. MILES: We can compare.

11 LEGISLATOR FERRETTI: You agreed
12 to.

13 MR. MILES: Not going to change
14 the valuation.

15 LEGISLATOR FERRETTI: I'm not
16 saying it did. I mean, there's a settlement
17 agreement you can comply with it or you don't.

18 MR. MILES: We'll comply with
19 it. We'll have our internal numbers.

20 LEGISLATOR FERRETTI: Mr. Miles,
21 recently Resolution 186-20 to require the
22 assessor to restore to the official website of
23 Nassau County the total value of the
24 exemptions granted and the estimated tax
25 impact to individual homeowners pursuant to

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2 real property tax law Section 485(u).

3 On December 28th the county
4 executive signed Resolution 186-20 to restore
5 to the county website information detailing
6 the total amount of the phase-in exemption and
7 the full value of the tax impact associated
8 with the exemption.

9 Were you aware that this was signed
10 into law, Mr. Miles?

11 MR. MILES: Yes. I believe that
12 was signed in last month. Maybe a few weeks
13 ago.

14 LEGISLATOR FERRETTI: Yes. If
15 you recall, the administration inexplicably
16 removed the exemption from the website shortly
17 after the school tax bills were posted.
18 First, why was it removed to begin with?

19 MR. MILES: I'm not sure but I
20 believe currently we're working on putting the
21 number back up. Making sure the number is
22 clear.

23 LEGISLATOR FERRETTI: Who ordered
24 its removal? Did you?

25 MR. MILES: No, I did not.

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2 LEGISLATOR FERRETTI: Did the
3 assessor?

4 MR. MILES: I'm not sure.

5 LEGISLATOR FERRETTI: Who removed
6 it?

7 MR. MILES: I don't know but
8 we're working on putting the number up and
9 complying with the law.

10 LEGISLATOR FERRETTI: Why is it
11 taking this long? It came down a day after it
12 was put up. Why is it taking 40 days to put
13 it back up?

14 MR. MILES: Just making sure that
15 it's clear. Making sure that it's
16 understandable.

17 LEGISLATOR FERRETTI: Did you
18 make sure it was understandable when you put
19 it up in the first place?

20 MR. MILES: I'm not sure. We're
21 complying with the law now and working on
22 putting the number up.

23 LEGISLATOR FERRETTI: When will
24 it be restored?

25 MR. MILES: I will have to talk

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2 to the IT division.

3 LEGISLATOR FERRETTI: Are you
4 aware that the legislation calls for it to be
5 restored immediately?

6 MR. MILES: I'm aware of that and
7 we are working on that.

8 LEGISLATOR FERRETTI: My
9 understanding is that the '22-'23 roll is
10 frozen, correct?

11 MR. MILES: It's a paused roll,
12 correct.

13 LEGISLATOR FERRETTI: Now the
14 phase-in in assessed values will continue
15 unabated notwithstanding the frozen
16 assessment; is that correct?

17 MR. MILES: Correct.

18 LEGISLATOR FERRETTI: So, will
19 individuals that have experienced a tax
20 increase in year one of the reassessment
21 continue to see that increase be phased in
22 over the four years despite the fact that the
23 county executive and the assessor decided to
24 freeze the roll for '22-'23?

25 MR. MILES: I'm not sure what the

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2 question is.

3 LEGISLATOR FERRETTI: Does the
4 '22-'23 frozen roll affect the phase-in and
5 the impacts of the phase-in at all?

6 MR. MILES: I don't know the tax
7 impact. We are two years away from that.

8 LEGISLATOR FERRETTI: Generally
9 speaking, if you receive a tax increase as a
10 result of the reassessment it gets phased in
11 over five years, correct?

12 MR. MILES: It's not tax
13 increases that get phased in it's assessed
14 values.

15 LEGISLATOR FERRETTI: I said the
16 tax impact gets phased in over five years
17 generally; is that correct?

18 MR. MILES: I understand what you
19 said legislator but I'm going with what the
20 law says. The law says you phase in market
21 value increases and they are equalizing using
22 level of assessment. It's not based on tax
23 impact. It's not based on tax. It's based
24 on --

25 LEGISLATOR FERRETTI: I didn't

1 Veterans and Finance - 1-25-21
2 say it was. I understand that the assessment
3 gets phased in over five years. What I'm
4 asking is, generally, generally, those who
5 have an increase over five years in their
6 assessment are generally seeing tax increases
7 over five years. Would you disagree with
8 that? Are more people seeing a decrease when
9 their assessment goes up?

10 MR. MILES: No. It's dependent.
11 If everybody is going up 20 percent per year
12 that means everyone's going up 20 percent.
13 So, it doesn't necessarily mean that you're
14 going up or down. It's dependent upon your
15 relationship with your neighbors and the
16 school district taxes and your county and
17 general taxes.

18 LEGISLATOR FERRETTI: Thank you
19 Mr. Miles. I may have some more for you after
20 but I'm going to switch over to Mr. May for a
21 minute.

22 MR. MILES: Thank you sir.

23 LEGISLATOR FERRETTI: Thank you.
24 Good morning Mr. May.

25 MR. MAY: Good morning

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2 legislator.

3 LEGISLATOR FERRETTI: Mr. May,
4 how many challenges were made to the '20-'21
5 roll?

6 MR. MAY: I have that figure.
7 One moment please. For tax year '20-'21 we
8 received 259,000.

9 LEGISLATOR FERRETTI: How about
10 '21-'22?

11 MR. MAY: For '21-'22, 243,600.

12 LEGISLATOR FERRETTI: Now,
13 '20-'21, how many of those 259,000 received a
14 settlement offer from ARC?

15 MR. MAY: For '20-'21 I might not
16 have that figure at my fingertips legislator,
17 but if not I will be happy to get it for you.
18 No. For '20-'21 I don't have that breakdown
19 immediately at my fingertips. I want to make
20 sure I take down all of the figures that
21 you're interested in. Give me one moment.
22 So, legislator, for '20-'21 you're interested
23 in the number of offers overall?

24 LEGISLATOR FERRETTI: Yeah. How
25 many overall offers. Also how many were

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2 accepted.

3 MR. MAY: I can get that for you.

4 LEGISLATOR FERRETTI: What the
5 average offer was. The highest offer. Now,
6 '21-'22 those are the offers still going out
7 now, right?

8 MR. MAY: Yes. We will be
9 issuing our final determinations on '21-'22 by
10 the end of March. At this time in our process
11 we are largely done with our first-time
12 reviews. We are now dealing with
13 counteroffers and discussions with the
14 applicants.

15 LEGISLATOR FERRETTI: So, in
16 terms of offers from ARC are they pretty much
17 all out, the initial offers?

18 MR. MAY: We've done the
19 overwhelming, 99 percent majority, of our
20 first offers for '21-'22.

21 LEGISLATOR FERRETTI: Let's talk
22 about those. How many offers have gone out of
23 reductions?

24 MR. MAY: I'll need one moment to
25 pull up that stat. About 200,000.

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2 LEGISLATOR FERRETTI: And how
3 many of those 200,000 so far have been
4 accepted?

5 MR. MAY: Approximately 55,000.

6 LEGISLATOR FERRETTI: What was
7 the highest percentage reduction offered by
8 ARC for '21-'22?

9 MR. MAY: That I'm not going to
10 have legislator. I will have to find that for
11 you.

12 LEGISLATOR FERRETTI: What was
13 the average?

14 MR. MAY: That, again, I would
15 have to get that figure for you. You're
16 interested in the highest and the average
17 percentage?

18 LEGISLATOR FERRETTI: Yes. This
19 shouldn't be -- with all due respect -- these
20 questions were emailed before the hearing.
21 You have should this down already in terms of
22 the question.

23 MR. MAY: I do apologize
24 legislator.

25 LEGISLATOR FERRETTI: If you

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2 grieved your assessment for '21-'22 was a
3 different level of assessment applied before
4 ARC gave the offer of settlement?

5 MR. MAY: ARC's determined level
6 of assessment for '21-'22 would have been used
7 to calculate our value and make the offer. I
8 think the answer to your question is yes.

9 LEGISLATOR FERRETTI: What is
10 that level of assessment?

11 MR. MAY: .95.

12 LEGISLATOR FERRETTI: I want to
13 make sure I understand this because this gets
14 a little complicated. The level of assessment
15 is from the Department of Assessment when they
16 calculate your assessment is point one,
17 correct?

18 MR. MAY: Yes.

19 LEGISLATOR FERRETTI: Is what
20 you're telling me, Mr. May, that if you
21 grieved your assessment for '21-'22 ARC
22 applied a different level of assessment before
23 mailing the offer; is that correct?

24 MR. MAY: Yes.

25 LEGISLATOR FERRETTI: And that

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2 level of assessment is lower than point one,
3 correct?

4 MR. MAY: Yes.

5 LEGISLATOR FERRETTI: Correct me
6 if I'm wrong, but for '21-'22, which is year
7 two of the reassessment, if you grieved your
8 assessment you automatically got a reduction
9 offer; is that correct?

10 MR. MAY: That is not correct.

11 LEGISLATOR FERRETTI: Tell me
12 why.

13 MR. MAY: We apply the level of
14 assessment at .95 and we run the math. But if
15 your resultant value does not indicate a
16 reduction ARC would not be making an offer.

17 LEGISLATOR FERRETTI: In other
18 words, if your property value increased the
19 level of assessment, even though it's lower,
20 wouldn't automatically qualify you for a
21 reduction, correct?

22 MR. MAY: That is correct. The
23 level of assessment by itself would not
24 guarantee a reduction.

25 LEGISLATOR FERRETTI: But you

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2 would agree that decreasing the level of
3 assessment for ARC purposes would certainly
4 lead to a larger amount of offers than if you
5 didn't, right?

6 MR. MAY: I couldn't say that
7 that happens 100 percent of the time but I
8 think that's probably generally correct.

9 LEGISLATOR FERRETTI: Under the
10 previous administration did ARC use the same
11 level of assessment as the Department of
12 Assessment?

13 MR. MAY: We are talking about a
14 period of eight years so I'm not 100 percent
15 sure. But in my time certainly ARC disagreed
16 with the Department of Assessment and used a
17 different level of assessment, yes.

18 LEGISLATOR FERRETTI: And the
19 result of that was mass settlements, right?

20 MR. MAY: That was a factor that
21 led to a large number of settlement offers and
22 settlements, yes.

23 LEGISLATOR FERRETTI: What is
24 mass settlement?

25 MR. MAY: I suppose legislator

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2 that depends on -- perhaps a little bit of
3 context would be helpful. During the frozen
4 roll period the Assessment Review Commission
5 annually determines that the level of
6 assessment was different than that published
7 by the Department of Assessment. So, a
8 practice would have been that if ARC reviewed
9 a particular case in a previous year and a
10 property owner filed in the successive year
11 that ARC would apply the level of assessment
12 for that new year to the value settled in the
13 previous year.

14 So, that was a tactic that was used
15 to address a number of cases. So, I think
16 that maybe what you are referring to when you
17 say mass settlement.

18 LEGISLATOR FERRETTI: I guess
19 what I'm asking is, it's the same question I
20 actually asked assessor Moog months ago, which
21 I understand Mr. May you don't work in the
22 same department as assessor Moog, but if I
23 recall his explanation of mass settlement is
24 when you use a different level of assessment
25 and grant reductions as a result. So, in

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2 '20-'21 what level of assessment did ARC
3 use?

4 MR. MAY: In '20-'21 ARC actually
5 used one, which was the level of assessment
6 published by the Department of Assessment. So
7 for '20-'21 ARC agreed with the Department of
8 Assessment as to level of assessment.

9 LEGISLATOR FERRETTI: So, if you
10 grieved your assessment for '20-'21 it was a
11 straight up comparison of fair market values,
12 correct?

13 MR. MAY: To the extent that
14 there was no varied level of assessment
15 applied, yes, absolutely.

16 LEGISLATOR FERRETTI: If my
17 market value I disagree with it, I would say
18 it's really worth X, which presumably is
19 something less than what the Department of
20 Assessment valued it at, and ARC would
21 determine the actual value and if it was less
22 they would offer a reduction, right?

23 MR. MAY: Correct.

24 LEGISLATOR FERRETTI: Whereas, in
25 '21-'22 there's another variable in there;

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2 correct?

3 MR. MAY: It's not that there's
4 another variable legislator. In '20-'21 ARC
5 still used the level of assessment to arrive
6 at our assessed value. It's just that for
7 '21-'22 the level of assessment was
8 different.

9 LEGISLATOR FERRETTI: Maybe an
10 example would make this more clear. If the
11 Department of Assessment assessed resident X's
12 property at \$400,000 and resident X grieved
13 their assessment. For '21-'22 if ARC
14 determined that the Department of Assessment
15 was correct and the property was worth
16 \$400,000 would the Assessment Review
17 Commission send resident X an offer of
18 reduction for '21-'22?

19 MR. MAY: In that specific
20 example legislator, yes.

21 LEGISLATOR FERRETTI: So even
22 though ARC would be saying that the Department
23 of Assessment was correct in their
24 determination that that property was worth
25 \$400,000, the Assessment Review Commission is

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2 going to send a reduction, correct?

3 MR. MAY: Again, in that specific
4 example, yes.

5 LEGISLATOR FERRETTI: With this
6 .95, what would their assessment be reduced
7 to as a result of this offer if they accepted
8 it?

9 MR. MAY: I may embarrass myself
10 by doing the math incorrectly but I believe
11 that would be an assessed value of 400 versus
12 an assessed value of 395.

13 LEGISLATOR FERRETTI: I think
14 you're off a little bit but that's probably
15 close. So, is that 395,000 in this example
16 correct? Is that the correct assessment?

17 MR. MAY: In the opinion of the
18 Assessment Review Commission, yes it would be.

19 LEGISLATOR FERRETTI: What you're
20 saying is, even though the Assessment Review
21 Commission determined that the fair market
22 value was 400,000 they're going to say it's
23 correct that this property is going to be
24 reduced to 395,000?

25 MR. MAY: With the very specific

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2 fact pattern that we're discussing, yes.

3 LEGISLATOR FERRETTI: Can you
4 explain that? I lose that. I thought the
5 whole point of reassessment was that the fair
6 market value -- you were going to be assessed
7 at your fair market value. Now you're telling
8 me the fair market value in this example is
9 400,000 but the Assessment Review Commission
10 is offering a reduction to something less. I
11 got to tell you Mr. May that sounds very
12 familiar.

13 MR. MAY: In both examples the
14 Assessment Review Commission and the
15 Department of Assessment are agreeing as to
16 fair market value. But because there is a
17 disagreement as to the level of assessment
18 that ratio between fair market value and
19 assessed values the ARC and DOA, despite
20 agreeing on fair market value, will end up
21 disagreeing as to assessed value.

22 LEGISLATOR FERRETTI: Isn't that
23 exactly what we would have heard under the old
24 system? Isn't it the same exact thing?
25 What's different?

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2 MR. MAY: Again, legislator,
3 we're talking about a very specific example
4 and this goes back to the question that you
5 asked earlier regarding wouldn't a different
6 level of assessment indicate that ARC is just
7 automatically making an offer of reduction and
8 the answer there is no.

9 In the greater context, ARC is
10 performing a review and arriving at a
11 determination of fair market value. So, there
12 are cases where ARC disagrees with the
13 Department of Assessment in the other
14 direction and may find that instead of the
15 property being worth 400,000 that it may have
16 been worth 410,000 and then after applying the
17 level of assessment would indicate a zero
18 reduction.

19 It is only in the very specific
20 circumstance where ARC and the Department of
21 Assessment agree as to market value but
22 disagree as to level of assessment that we
23 would see the circumstance that you are
24 referring to.

25 LEGISLATOR FERRETTI: Mr. May, I

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2 used an example to illustrate my point. But
3 my point carries on all properties. The
4 differing level of assessment artificially
5 lowers the value. If the property is assessed
6 at \$400,000 and ARC determines it's worth 390
7 fair market value will the offer be 390,000 or
8 will it be something less because there's a
9 level of assessment that's applied at .95?

10 MR. MAY: Well, ARC's offer of
11 fair market value would be 390 but our offer
12 of assessed value --

13 LEGISLATOR FERRETTI: -- would be
14 something less, right?

15 MR. MAY: It would be less than
16 the published value by the Department of
17 Assessment. Legislator, the reason why I'm
18 struggling is this is just math.

19 LEGISLATOR FERRETTI: I
20 understand. How do you calculate your offer?
21 What's the formula? Fair market value times
22 level of assessment, right?

23 MR. MAY: And a comparison then
24 to the published value.

25 LEGISLATOR FERRETTI: Forget the

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2 published value. When you determine an offer
3 at ARC don't you come up with a fair market
4 value and multiple it times the level of
5 assessment to get an offer amount?

6 MR. MAY: Yes.

7 LEGISLATOR FERRETTI: You
8 determine a fair market value, correct?

9 MR. MAY: Yes.

10 LEGISLATOR FERRETTI: Is that
11 fair market offered to the resident as the
12 assessed value or is it different?

13 MR. MAY: After it's converted to
14 an assessed value with the level of assessment
15 that would be our offer as an assessed value
16 reduction, yes.

17 LEGISLATOR FERRETTI: So, the
18 assessed value as a result of a lower level of
19 assessment has been made artificially lower
20 than the fair market value, correct?

21 MR. MAY: I would disagree with
22 the characterization of it being artificial.
23 The level of assessment is a calculation.
24 Parties can disagree as to the calculation and
25 the end result of the level of assessment.

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2 But to characterize it as artificial I would
3 not agree with.

4 LEGISLATOR FERRETTI: Fair
5 enough. Thank you Mr. May. That's what I
6 have for now and I will open it up. Anybody
7 from the Minority have questions? I know the
8 Ranking Member Ms. Birnbaum.

9 LEGISLATOR BIRNBAUM: With all
10 this discussion my question really is, what
11 has changed? Have we assessed homes in a
12 different way? You said we're using the
13 aeriels but basically you're still going by
14 square footage, improvements. Has any
15 methodology changed in the method of
16 assessments that's been done in the
17 reassessment versus in previous years when it
18 had been assessed?

19 MR. MILES: The previous years
20 did not have any valuation approach. For
21 eight to ten years I don't think there was any
22 change in valuation or a review the level of
23 assessment, review of assessments at all.
24 That's the major difference.

25 We updated the market values,

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2 updated the assessed values and we actually
3 used the market approach which is used
4 throughout the state and throughout the
5 country. So, that's the major differences.
6 There was never an assessment done. There was
7 an attempt to do a systematic review but it
8 was completed for this assessment. So we
9 reviewed the equity and the values and we came
10 up with determinations.

11 LEGISLATOR BIRNBAUM: So, then
12 not including the frozen period, the previous
13 assessments was it basically using the same
14 formulas?

15 MR. MILES: You're saying
16 comparing the '21-'22 year to the '20-'21
17 year?

18 LEGISLATOR BIRNBAUM: No. I'm
19 saying when there had been a previous
20 reassessment.

21 MR. MILES: Similar approach.
22 Market value approach.

23 LEGISLATOR BIRNBAUM: Then the
24 level of assessment was the number that
25 changed between previous years and now,

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2 correct?

3 MR. MILES: Yes. The level of
4 assessment has continued to decrease.

5 LEGISLATOR BIRNBAUM: In a
6 nutshell when we're talking about the amount
7 of people in the county whose taxes have gone
8 up versus down could you give us a
9 generalization? What would you say it has
10 come to?

11 MR. MILES: I'm sorry
12 legislator. I lost you on the last part of
13 the sentence.

14 LEGISLATOR BIRNBAUM: The number
15 of residents taxes have gone up versus down
16 what would you say the breakout has been?

17 MR. MILES: I haven't done the
18 report. I've heard it was 60 to 65. But I
19 have not done that report.

20 LEGISLATOR BIRNBAUM: Is there a
21 way we can see that by school district?

22 MR. MILES: Yes. Actually, I
23 marked down Legislator Ferretti's request. I
24 will be bringing that down to our internal IT
25 and accounting divisions.

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2 LEGISLATOR BIRNBAUM: Okay.

3 LEGISLATOR FERRETTI: Thank you.

4 Mr. Miles, with the veterans
5 exemption error, computer error, has anyone
6 from the Department of Assessment or anyone in
7 the administration reached out to these
8 residents to advise them of this error?

9 MR. MILES: I'm not aware of the
10 communications from the county executive's
11 office or the department. I believe once we
12 submit the correction of errors and we're
13 completing the final numbers I believe there
14 will be a communication strategy. I don't
15 know what it is yet.

16 LEGISLATOR FERRETTI: Can you
17 provide this body with a list of the
18 properties that were affected by this?

19 MR. MILES: The correction of
20 error petition will actually have the list of
21 properties.

22 LEGISLATOR FERRETTI: Thank you.
23 Legislator Walker.

24 LEGISLATOR WALKER: Thank you
25 Legislator Ferretti. I'm just going to back

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2 up a minute. When we started this whole
3 reassessment process I questioned Mr. Moog in
4 how we were doing it. Spoke about modeling.
5 I said you have communities that, I used my
6 community for example. I live in a Levit home
7 in Hicksville, not in Levittown, but those
8 Levit homes have drastically changed. There's
9 very few original Levit homes. Some of those
10 homes are basically no longer even Levit
11 homes. McMansions have kind of been put in
12 those spots or whatever.

13 He assured myself and all of us
14 that no, everything like that is going to be
15 taken care of. I said well, I don't know how
16 you model a particular area when that area is
17 very different than it used to be. Same as
18 areas with capes that were all basically very
19 similar homes.

20 Also, you spoke about getting the
21 information from the towns as far as permits
22 and what changes have taken place in various
23 homes. And let's be real, and Legislator
24 Ferretti addressed this too, there are many
25 people that just say forget it, I'm not

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2 getting a permit. I'll worry about that when
3 I'm selling the house or whatever. I don't
4 plan on moving. So, all of those homes,
5 unless you really did an aerial view of each
6 one of the homes in Nassau County, you're not
7 going to know that. So, people who do the
8 right things once again lose out and people
9 who don't do what's right they benefit. Guess
10 that happens with many things.

11 The whole issue with problems that
12 we've had, mistakes that were made that have
13 cost us tremendous amount of money. The
14 latest being the two properties, the Seasons
15 in the Bellmore-Wantagh area and also the
16 other up I believe it was Glen Cove and
17 Carnation Drive in Farmingdale, major mistakes
18 that cost this county a lot of money.

19 Now you have the whole veterans
20 issue which is costing a tremendous amount of
21 money once again on the county. I know you
22 said well, I'm not exactly sure where it's
23 coming from but we know it's coming from the
24 taxpayers of Nassau County. So, not only have
25 people's houses gone up, their taxes have gone

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2 up, many are people who thought their taxes
3 were going down in the latest information
4 found out their taxes are going up. They are
5 now stuck with paying all these mistakes that
6 were made.

7 I'm sure if it was coming from the
8 assessment people's pockets you'd be very,
9 very concerned about all these errors. But
10 it's almost like there were mistakes made and
11 we just have to deal with it and yes, we're
12 stuck with the county guarantee.

13 MR. MILES: That is not a fair
14 statement for the staff here who work very
15 hard. Especially during a pandemic-riddled
16 year. Take their job seriously.

17 LEGISLATOR WALKER: I'm not
18 denying that people don't take their jobs
19 seriously.

20 MR. MILES: But I think the
21 characterization that it's compared to their
22 money and the taxpayer's money many of them
23 are taxpayers.

24 LEGISLATOR WALKER: Many of them
25 are going to get stuck paying for this also.

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2 Everyone who lives in Nassau County is paying
3 for these errors.

4 MR. MILES: I have to speak up on
5 this. Many of the people are hard working
6 county residents too. So the characterization
7 that they don't care because it's not their
8 money or they don't take assessment seriously
9 is not a fair characterization. They are
10 upset by this computer error. They did
11 everything they could do to make sure
12 everything was right. A 20-year computer
13 program caused this mistake and now we are
14 here discussing this with you, being
15 transparent with you as much as we can and
16 we're going ahead and trying to fix the issue.

17 But the characterization that it's
18 not their money and they don't care that is
19 not fair at all.

20 LEGISLATOR WALKER: I apologize
21 if I made it seem like that they did not care
22 because I believe we all care. But we're
23 stuck with a tremendous amount of debt now
24 that the county taxpayers have to pay because
25 of errors. And whether it was said by one

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2 person or not, constantly throughout this
3 process the blame is also being shifted to
4 someplace else. You know, no matter what
5 question we ask with assessment we didn't
6 really get an exact answer of what was taking
7 place. And once again it's a computer error.
8 It's a problem with an antiquated system.
9 There's not enough staff. I don't deny that
10 the people there are working very, very hard.
11 Okay? But the bottom line is it's a mess. We
12 were told over and over again that the
13 assessment is very good. We can stand by this
14 assessment.

15 The county executive herself told
16 people grieve your taxes. I thought this
17 whole process was to make it so that people
18 didn't have to grieve their taxes. That it
19 was going to be correct. Unfortunately, we're
20 finding out that a tremendous amount of it
21 isn't correct.

22 MR. MILES: I disagree with that
23 characterization as well. The county
24 assessments are very accurate and they are
25 correct. There have been several issues with

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2 the computer program that has caused issues
3 not only for this administration but in prior
4 administrations there was an error in which an
5 apportionment occurred and the county
6 buildings, during the previous administration,
7 were considered taxable and millions of
8 dollars were paid to the Garden City school
9 district to fix that issue. There was a
10 switching of the special districts between one
11 municipality or one school district and
12 another and that was fixed.

13 I don't disagree with you that
14 Adapt is a problem. But I do disagree with
15 you the fact that the county assessments are
16 not correct because they are and there's been
17 evidence of the fact that they are and it's
18 been independently analyzed saying as much.

19 I think it's just that we have to
20 continue to try to work with a system that
21 three departments in this county utilize.
22 It's not an easy system to reprogram. It's a
23 system where a lot of complicated math is done
24 between three departments and we just continue
25 to try to improve and try to make sure that

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2 this system doesn't continue to have hiccups.

3 But the fact of the matter is the
4 county assessments are accurate. The
5 programmatic issues are a separate issue with
6 an older program.

7 I think the county executive in
8 terms of saying you have the ability to
9 grieve, of course we should advocate for the
10 rights of our taxpayers that you have the
11 ability to do these things because the law
12 provides you as such and that we support the
13 rights of our taxpayers. I don't think she's
14 saying grieve your taxes, the assessments are
15 wrong. She has iterated time and again the
16 assessments are right and they are.

17 LEGISLATOR WALKER: I have to
18 differ because I don't think they are because
19 I don't think that many properties aren't
20 really -- they haven't been looked at because
21 that's not how the assessment was done. You
22 cannot tell me that a property that has major
23 improvements, that have so much more of a home
24 on a piece of a property than a smaller
25 property next door should be assessed at a

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2 lower value. That's done because of the way
3 it was done. In the previous assessment every
4 home was looked at. That was the previous
5 assessment. That was not chosen the way we
6 went about things this time I do not agree,
7 that's my opinion, but I think a lot of other
8 people have that same opinion too.

9 We get the phone calls because
10 people call assessment and they can't speak to
11 anyone. They call upstairs to the county
12 executive's office and can't speak to anyone.
13 When you have residents, some of them very,
14 very old seniors sobbing on the phone how am I
15 supposed to pay these taxes? And their taxes
16 have gone up extraordinarily. It's very, very
17 sad and it's very sad it's left for the
18 legislators to have to deal with where we
19 don't have an answer for them. And many of
20 these problems we've had to point out for you
21 and if you knew about it ahead of time we
22 weren't aware that you knew about it nothing
23 because nothing was shared with us and I think
24 that's a major, major problem.

25 And even upstairs, people call

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2 upstairs to the county exec's office and
3 they're told call your legislator. Just a lot
4 of problems here, and I don't think it was
5 addressed properly.

6 LEGISLATOR FERRETTI: Thank you
7 Legislator Walker. We have four other
8 legislators right now that have comments but
9 just before we get to them, Mr. Miles, you
10 referenced an error that happened in 2010
11 where a county property was on the tax roll;
12 is that correct?

13 MR. MILES: Yeah. I believe the
14 county property was considered taxable.

15 LEGISLATOR FERRETTI: Who was the
16 county assessor at that time?

17 MR. MILES: I don't recall.

18 LEGISLATOR FERRETTI: It was Mr.
19 Jankowski. Do you know if he was elected or
20 appointed to office?

21 MR. MILES: I don't know.

22 LEGISLATOR FERRETTI: He was
23 appointed just so you know. Perhaps there's a
24 trend there. Before we get to Legislator
25 Rhoads --

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2 MR. MILES: I don't think whether
3 an assessor is appointed or elected has any
4 relevance to the fact that the computer system
5 caused an error when our mid-level staff were
6 working on the process. I don't think an
7 elected assessor or an appointed assessor has
8 any relevance to mid to lower level staff
9 working on exemptions and taxable value.

10 LEGISLATOR FERRETTI: I respect
11 your opinion and I hope you have an
12 opportunity to voice that opinion at the
13 ballot box in a referendum hopefully not in
14 the too distant future.

15 But just going on, before we get to
16 Legislator Rhoads who is next, just so you
17 realize the impact, I don't know if you know
18 this or not, I want to give you a couple of
19 properties that we've identified as having
20 this veterans exemption error.

21 Property number one. In 2020, I
22 don't know if you have a pen and paper, it
23 might help if you just jot it down.

24 MR. MILES: Would your staff send
25 me the properties --

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2 LEGISLATOR FERRETTI: No

3 different properties.

4 MR. MILES: -- in an email?

5 LEGISLATOR FERRETTI: So property
6 number one the school taxes in 2020.

7 MR. MILES: Wait, I'm sorry
8 legislator. I lost the last -- I asked if you
9 can have legislative staff send me the
10 properties so I can look at them.

11 LEGISLATOR FERRETTI: Sure.
12 Absolutely. Property number one. The school
13 taxes for 2020 after STAR \$3,247.60. In
14 '20-'21 those school taxes went down
15 presumably as a result of the reassessment to
16 \$2,759.69. Approximately \$1,000. Again, this
17 property has this veterans exemption.

18 2020 general taxes, \$1,362.51.
19 '20-'21 general taxes, \$3,109.39. So in this
20 example we're seeing a reduction in school
21 taxes, which as we know is about 67, 68
22 percent of the entire tax bill, in about
23 \$1,000. But the general taxes shot up from
24 about \$1,000 to \$3,000. Massive, massive
25 hit. That's a \$2,000 difference. That's just

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2 one example.

3 Another example. This is the last
4 one. I won't bore you with all the examples.
5 I'll just do two and then we'll go to
6 Legislator Rhoads. This example the 2020
7 school taxes property two, again with the same
8 exemption, \$3,020 in 2020 school taxes.
9 '20-'21, 1,873. So about a \$1,200
10 reduction. But when you get to the general
11 taxes, \$2,132.26 in 2020. In '20-'21,
12 \$4,093. So again, an approximate \$2,000
13 difference. That's substantial. These are
14 not minor errors. These are errors that,
15 quite frankly, they could put veterans and
16 their families out of their homes.

17 Before we get to Legislator Rhoads,
18 I want to just once again ask for a list of
19 these 4,000 properties. It's very important
20 we get them. I understand that the outreach
21 hasn't been done to these houses and these
22 properties and their families. If it's not
23 going to be done soon, the ones in my district
24 I'm going to reach out to every one of them.
25 So please, if you can get us that list.

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2 MR. MILES: You will be receiving
3 the correction of error resolutions soon.
4 Like I said, they will have all the
5 information.

6 LEGISLATOR FERRETTI: Thank you.
7 Legislator Rhoads.

8 LEGISLATOR RHOADS: Thank you Mr.
9 Chairman. Good morning. Still morning.
10 Good. Mr. Miles, why are you here this
11 morning?

12 MR. MILES: I'm here because I'm
13 the deputy assessor for the Department of
14 Assessment.

15 LEGISLATOR RHOADS: You're not
16 the only deputy assessor, right?

17 MR. MILES: I'm not the only.
18 I'm here because of my handsomeness.

19 LEGISLATOR RHOADS: Without
20 question. But how many deputy assessors are
21 there, Mr. Miles?

22 MR. MILES: I believe it's
23 probably between four and six.

24 LEGISLATOR RHOADS: There are
25 other deputy assessors that were available to

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2 come today, correct?

3 MR. MILES: I believe so. I
4 didn't check their schedules but I'm sure some
5 of them were.

6 LEGISLATOR RHOADS: You've been
7 with the county for three years I believe you
8 said?

9 MR. MILES: Yeah, three years
10 legislator.

11 LEGISLATOR RHOADS: Part of that
12 time was spent in the county attorney's
13 office, right?

14 MR. MILES: Yes.

15 LEGISLATOR RHOADS: And you're
16 now counsel to the Department of Assessment,
17 correct?

18 MR. MILES: I have been counsel
19 since I was at the county attorney's office.
20 The previous county attorney appointed me to
21 that job.

22 LEGISLATOR RHOADS: You've got
23 three years as counsel to the Department of
24 Assessment whether it's in the county
25 attorney's office or within the Department of

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2 Assessment itself, correct?

3 MR. MILES: Correct.

4 LEGISLATOR RHOADS: You're listed
5 as deputy assessor but in your education and
6 background, sort of getting back to a point
7 that Alternate Deputy Presiding Officer Kopel
8 sort of led off the questioning with, you have
9 no background in assessment, right?

10 MR. MILES: I believe I have a
11 background now in assessment.

12 LEGISLATOR RHOADS: In terms of
13 your education, you went to law school, you
14 became a lawyer. In your undergraduate work
15 it wasn't in assessment, right?

16 MR. MILES: Correct. But a lot
17 of people fall into this field. Many of our
18 field staff started out as real estate agents
19 or brokers and then they came into this
20 department and learned how to apprise and
21 assess and they've been doing it well for a
22 while now.

23 LEGISLATOR RHOADS: Have you
24 taken any classes in assessment?

25 MR. MILES: I have taken classes.

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2 LEGISLATOR RHOADS: Do you
3 actually participate in any of the assessing
4 of property or is your work with the
5 Department of Assessment largely as counsel?

6 MR. MILES: It's largely as
7 counsel.

8 LEGISLATOR RHOADS: So, other
9 deputy assessors that are here, would it be
10 fair to say they have a better technical
11 knowledge of the Department of Assessment and
12 how assessing is actually done?

13 MR. MILES: I think I have a
14 pretty sound technical knowledge of assessment
15 based on the legal background and based on my
16 training in taking classes for assessing. But
17 there's other people who have great valuation
18 knowledge as well.

19 LEGISLATOR RHOADS: Obviously
20 we're asking a lot of technical questions
21 today because we want to make sure that we get
22 an understanding. We want to make sure the
23 public has an understanding of what went on
24 with respect to this particular assessment and
25 how assessment in general is done. Obviously

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2 that was the purpose of today's hearing you
3 would assume that, right?

4 MR. MILES: Yes.

5 LEGISLATOR RHOADS: Would it not
6 have been better to have one of the deputy
7 assessors with more background knowledge about
8 the technical aspects of assessing?

9 MR. MILES: I think I'm doing a
10 great job legislator.

11 LEGISLATOR RHOADS: For your
12 understanding yes, you're doing a great job I
13 would say. However, where is Robin Laveman
14 today?

15 MR. MAY: Legislator, the
16 chairperson would have preferred to be here
17 herself but she is in class preparing
18 certification as a New York State assessor.

19 LEGISLATOR RHOADS: So, she is in
20 class today learning how to do the job that
21 she's been appointed for?

22 MR. MAY: I would disagree with
23 that characterization legislator.

24 LEGISLATOR RHOADS: If she's
25 taking classes to be a certified assessor to

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2 replace the certified assessor that we had is
3 she not obtaining training to do the job that
4 she's been appointed for?

5 MR. MAY: I don't know that I can
6 characterize it as training. She is preparing
7 to get the certification.

8 LEGISLATOR RHOADS: What would
9 you call taking classes, Mr. May?

10 MR. MAY: Well, the statute does
11 allow for a period of time for an assessor to
12 achieve that certification and still fit their
13 qualifications. To that extent, I would
14 disagree that she is not qualified.

15 MR. MILES: Actually, Legislator
16 Rhoads, if you don't mind me chiming in, we
17 have several assessors who have taken or plan
18 on taking the IAO certification and they take
19 this class as well. It's almost like a bar
20 prep. It's a prep for the test, not a prep
21 for the knowledge.

22 LEGISLATOR RHOADS: Why aren't
23 they testifying today?

24 MR. MILES: I'm sorry?

25 LEGISLATOR RHOADS: You said you

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2 have several assessors who have applied for
3 and received this certification within your
4 department. Why do we not have one of them
5 testifying today?

6 MR. MILES: I'm a great deputy
7 assessor and I'm doing a great job here.

8 LEGISLATOR RHOADS: I appreciate
9 the level of confidence you have in your own
10 abilities, Mr. Miles. But when we're asking
11 specific questions about how an assessment is
12 conducted and many of the answers that we're
13 receiving are I don't know, I'll have to
14 check, it would be nice at the hearing if we
15 actually had the answers to those questions
16 since we all knew what this hearing was about.

17 MR. MILES: I think actually I've
18 answered all the questions in terms of how
19 assessments are done and how we do them and
20 inventory and data. I think I've actually
21 answered every question.

22 LEGISLATOR RHOADS: I'm happy
23 that you're satisfied with your performance
24 but I can tell you that I haven't been
25 satisfied with your performance. Again, it's

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2 not a personal criticism of you. Obviously
3 you're testifying with respect to your breath
4 of knowledge but there are clearly other
5 individuals within the department and I would
6 have hoped the assessor designee would have
7 been one of them who could have appeared today
8 to give us a better understanding of what it
9 is that we're looking for.

10 Incidentally, the class or the prep
11 test or prep that the assessor designate is
12 taking now is that a class that county
13 taxpayers are paying for?

14 MR. MAY: I don't know.

15 LEGISLATOR RHOADS: Is the
16 assessor designate on county time taking that
17 class?

18 MR. MAY: That I don't know.

19 LEGISLATOR RHOADS: Mr. Miles,
20 you had testified earlier with respect to the
21 discrepancy between the tax impact notices
22 that were sent out to taxpayers, which
23 understandably were an estimate based on I
24 think it was the '19-'20, I guess the initial
25 ones were based originally on '17-'18 and

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2 eventually as it progressed but originally
3 based on '19'-'20.

4 The discrepancy between those tax
5 impact notices and the actual taxes that came
6 out as part of the general taxes for the
7 '20-'21 school year when they came out in
8 November, and I believe you said that the
9 reason for the discrepancy was a change in
10 school budgets; is that correct?

11 MR. MILES: I would say a lot of
12 it has to do with the change in the school
13 budget.

14 LEGISLATOR RHOADS: My question
15 for you is, I'm going to use myself as an
16 example. My tax impact notice when it was
17 received '19-'20 projected there would be a
18 decrease in my taxes by about \$2,000. The
19 actual decrease that I received was about
20 \$50. In my total tax bill that was a
21 discrepancy probably of around 15 percent
22 between the tax impact notice and the actual
23 taxes that I received. I live in Bellmore.
24 The Bellmore school district increased their
25 budget by 1.90 percent.

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2 MR. MILES: Yes.

3 LEGISLATOR RHOADS: I can tell
4 you that Freeport was 1.85 percent. Merrick
5 was 3.43 percent. North Merrick was 3.23
6 percent. Seaford was 3.32. Wantagh was
7 1.78. All of these increases in budgets
8 really didn't exceed more than three percent
9 in many occasions and some were actually below
10 two percent.

11 If school taxes are the result of
12 there being a discrepancy between the tax
13 impact notices and the actual taxes that are
14 charged, how can you say that it's the school
15 budgets that are responsible for a 15 percent
16 increase when all of the increases were
17 somewhere in the one, two or three percent
18 range? That doesn't make sense.

19 MR. MILES: By the way, I don't
20 want to pinpoint specific school districts
21 because I don't know what their circumstances
22 were this year.

23 LEGISLATOR RHOADS: The budgets
24 are actual numbers. You kind of made a sort
25 of clear and defined statement that the reason

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2 that there was such a big discrepancy between
3 the tax impact notices and the actual taxes
4 that were charged was because of school
5 budgets. School budgets increased anywhere
6 from one to three percent. At least in my
7 area. In fact, Newsday has reported that
8 countywide school district budgets increased
9 by about two percent on average, slightly over
10 two percent. Yet there seemed to be
11 discrepancies in the area of around 15 percent
12 between, at least mine, between tax impact
13 notices and the amount that was actually
14 charged. How is there a correlation between
15 the two?

16 MR. MILES: I don't think it's
17 generally 15 percent difference between the
18 two. Remember, when we talk about assessments
19 and you and I have had long conversations
20 about assessments and the relationships
21 between assessment and taxes and your
22 neighbors. It's dependent upon your
23 individual assessed value as compared to
24 everybody else in your school district or the
25 assessing unit. And you compare your

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2 assessment to the tax levy and that's where
3 your taxes come from.

4 So, I don't think it's on average
5 15 percent, ten percent, two percent, one
6 percent. The assessment is very
7 individualistic as you and I have discussed
8 and many of the legislators here. It's a
9 case-by-case basis when it comes to how the
10 tax levy affects you when you compare your
11 assessment to everyone else in the district.

12 LEGISLATOR RHOADS: But everybody
13 else in the district is receiving substantial
14 tax increases. While the county executive and
15 the assessor testified that the splits between
16 those going up and those going down would be
17 somewhere in the area of around 52-48. In a
18 community like Bellmore we are seeing that 74
19 percent of homeowners actually received a tax
20 increase, whereas, 26 percent received a
21 decrease.

22 MR. MILES: I think the
23 percentages were all averages. When you
24 compare district to district I think you have
25 to look at the individual parcels and you have

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2 to see the level of increase. Because, you
3 know, 60 percent, 75 percent, 50 percent it
4 could be \$10 or \$100 or \$50, I don't know. I
5 can't pontificate.

6 LEGISLATOR RHOADS: Do you have
7 that breakdown?

8 MR. MILES: As discussed earlier,
9 we will be gathering that information for
10 Legislator Birnbaum and Legislator Ferretti.

11 LEGISLATOR RHOADS: With all due
12 respect, we were asking for that breakdown
13 months ago. In fact, the last time that the
14 assessor came to testify, at that time
15 assessor Moog came to testify, that was one of
16 the things that was requested specifically by
17 the legislature.

18 MR. MILES: I believe I just got
19 a request from counsel a few days ago. I've
20 gotten this request today. I will be putting
21 that information together.

22 LEGISLATOR RHOADS: When we asked
23 the questions a couple of months ago, the last
24 time that the assessor was here, why is the
25 Department of Assessment waiting for a formal

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2 request from counsel as opposed to simply
3 responding to the requests from legislators
4 that are made on the record at a hearing? It
5 would have been nice to have that information
6 today so that we could actually -- it would
7 have been nice to have that information today
8 so that we're not talking in the abstract, we
9 could be talking about actual numbers.

10 MR. MILES: Like I said, I didn't
11 get the previous request but I have it now a
12 few days ago and now. So we will be working
13 on it.

14 LEGISLATOR RHOADS: My overall
15 point is that you have made the statement
16 today that the county executive actually has
17 also made claiming that the increases, the
18 substantial reason for the increases that
19 people are seeing in their taxes is because of
20 school tax rates. School budget increases.
21 So, when we're talking to homeowners who've
22 received a five, ten, 20, 30 in some cases 100
23 percent increase in their taxes and you see
24 that school tax increases are anywhere from
25 one to three percent how do those two things

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2 equate?

3 MR. MILES: I don't know if it's
4 one or three percent. I've seen it as high as
5 five percent in certain districts and like I
6 said I'm not going to --

7 LEGISLATOR RHOADS: According to
8 Newsday the highest was in Seaford at 3.5
9 percent.

10 MR. MILES: I think there's
11 others that are slightly higher. But like I
12 said, I'm not going to pinpoint certain
13 districts.

14 LEGISLATOR RHOADS: You mean
15 Newsday could be wrong?

16 MR. MILES: No. I have to look
17 back at the Newsday article.

18 LEGISLATOR RHOADS: Assume for
19 the purposes of my question that I'm right and
20 that Newsday is correct and that three and a
21 half percent is the largest increase. When
22 you're talking to residents who are facing,
23 and certainly in a community like Bellmore
24 where you're facing certainly more substantial
25 increases than a three percent change in your

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2 school taxes, how can either you or the county
3 executive justify claiming that that's because
4 of an increase in school taxes?

5 MR. MILES: Remember, one of the
6 main variables changes. The school district
7 levy changes. The impact to the individual is
8 dependent upon their assessment as compared to
9 everyone else. When you see one of the main
10 variables switching you can probably make an
11 educated guess, if not stronger than that,
12 that the difference in the school district
13 taxes is going to adjust your projections and
14 your estimates. As you stated before, we were
15 estimating using the '17-'18 tax bill. The
16 schools have increased two, four, six percent
17 since the '17-'18 school taxes.

18 LEGISLATOR RHOADS: Mr. Miles, it
19 hasn't adjusted ten percent, 20 percent, 30
20 percent, 50 percent. I'm getting calls from
21 residents who have seen an increase in their
22 school taxes by three, four, five, \$6,000.
23 That's not because of tax rates. That's not
24 because the school district budget has
25 increased by that amount. That's because the

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2 assessment caused that.

3 MR. MILES: No, I don't think
4 it's the assessment caused that. I think it's
5 the case-by-case individual -- it's an
6 individual relationship between your
7 assessment and the tax levy.

8 LEGISLATOR RHOADS: But it's an
9 individual relationship that 74 percent of
10 homeowners within the Bellmore school district
11 are facing right now. You keep citing to it
12 being an individual case. But when an
13 individual case is multiplied throughout an
14 entire community it has to be looked on a
15 macro level not on an individual level. Why
16 is that the case?

17 MR. MILES: We can't say that 75
18 percent of individuals received a, you know,
19 ten percent increase where the majority of
20 them could have received a one or two percent
21 increase.

22 LEGISLATOR RHOADS: So you're
23 going to try to get us that information then?

24 MR. MILES: Yes. Like I said, I
25 received the request a few days ago and I have

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2 this request now, and I will work with the
3 internal IT division and accounting division
4 to ascertain that information.

5 LEGISLATOR RHOADS: Can you work
6 with our Office of Legislative Budget Review
7 on that as well?

8 MR. MILES: Absolutely.

9 LEGISLATOR RHOADS: How long do
10 we expect it's going to take to receive that
11 information?

12 MR. MILES: I'll have to ask the
13 accounting and IT divisions.

14 LEGISLATOR RHOADS: Because I
15 want to make sure that at some point in time
16 we're having a follow-up so that we can ask,
17 with the information in hand, we can ask some
18 more intelligent questions about how we got to
19 where we got. I would like to have a general
20 time frame of when that would be.

21 MR. MILES: I will provide that
22 to your counsel.

23 LEGISLATOR RHOADS: How long do
24 you think it's going to take to get the
25 estimate?

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2 MR. MILES: I'd have to talk with
3 people who work with technology and
4 accounting.

5 LEGISLATOR RHOADS: So a week?

6 MR. MILES: I'm not going to
7 estimate. I'd have to ask them first. We're
8 in the middle of finishing up exemptions for
9 '21-'22 year and finalizing the '22
10 assessment roll. I have to see what's going
11 on with those important individuals.

12 LEGISLATOR RHOADS: Legislator
13 Ferretti asked you before about the assessor
14 back in 2010, Mr. Janowski, right? And there
15 was a \$1.3 million mistake apparently that was
16 made in listing a county property on the tax
17 rolls which obviously should not be part of
18 the tax rolls and that created a mistake for
19 the taxpayers of the county, right?

20 MR. MILES: Yes. And that was an
21 Adapt-related issue.

22 LEGISLATOR RHOADS: As a result
23 of that Adapt-related issue for that \$1.3
24 million the appointed county assessor, Mr.
25 Jankowski, was fired. Were you aware of

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2 that?

3 MR. MILES: I don't believe he
4 was fired for the 1.3 but I don't know. I
5 can't ask the former county executive why he
6 fired his assessor ten years ago.

7 LEGISLATOR RHOADS: Again, I'm
8 basing it on Newsday's reporting at the time
9 as being the justification for his firing. At
10 least according to Newsday, we know that the
11 prior county assessor was fired for a \$1.3
12 mistake. So let's talk about the mistakes
13 that we have now in this roll.

14 MR. MILES: Legislator, that's
15 not the only error that's occurred because of
16 Adapt from 2010. There have been a few, like
17 I said before, there has been a mixing of
18 special districts, people who should have
19 received exemptions who didn't and were
20 restored. So, this is not an issue unique to
21 this administration. The Adapt programing has
22 caused issues in the past.

23 LEGISLATOR RHOADS: I understand
24 that the Adapt program has caused issues in
25 the past and it's nice for us to be able to

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2 continue and say well, it's the Adapt system
3 and we can only work with what we have. You
4 would agree with the statement that whatever
5 technological improvements have been requested
6 by the administration and by the Department of
7 Assessment to this legislature the legislature
8 has granted authority to upgrade their
9 systems, right?

10 MR. MILES: I understand but --

11 LEGISLATOR RHOADS: We've given
12 you, Mr. Miles, everything that the Department
13 of Assessment has asked for. Can you think of
14 an instance of anything that we've not
15 provided you?

16 MR. MILES: I appreciate the
17 resources that have been allocated to this
18 department and is helping it and we
19 continue --

20 LEGISLATOR RHOADS: So if we've
21 known that the Adapt system is a problem why
22 did we not ask for an improvement in the Adapt
23 system?

24 MR. MILES: The Adapt system is
25 so integral to three different departments

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2 that untangling it and creating a new program
3 or overhauling this program is a substantial
4 project. It won't take a blink of an eye or
5 snap of the fingers. It would take a while if
6 we're overhauling Adapt or asking Tyler
7 Technologies to adjust the Adapt or moving on
8 to another program. It would take a very long
9 time to adjust the system because it's so
10 integral and because the assessing unit and
11 its other municipalities are very complex.

12 LEGISLATOR RHOADS: Has anybody
13 undertaken an analysis at this point? If the
14 Adapt system is creating and every assessment
15 apparently that we do is throwing out errors
16 that result in negative consequences for
17 taxpayers, have we at least started the
18 process of taking a look at the Adapt system
19 and making changes to it or overhauling the
20 system entirely and going with a different
21 system?

22 MR. MILES: Yes, we have been.
23 We are discussing changes to Tyler
24 Technologies. I've anecdotally look at other
25 potential programs. So, there is a process.

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2 But it would take a very long time to untangle
3 the Adapt system. You don't want to
4 negatively impact the Assessment Review
5 Commission's operations or the treasurer's
6 operation.

7 LEGISLATOR RHOADS: I guess my
8 concern is that if we know that for at least
9 the last ten years the Adapt system has been
10 throwing out errors and we know that it's
11 going to take a long time to be able to change
12 the Adapt system have we started to make any
13 changes to the Adapt system or are we simply
14 saying that it's too hard?

15 MR. MILES: I don't think the
16 answer is it's too hard. I think it takes a
17 very thorough review of what to do and how
18 we're going to do it.

19 LEGISLATOR RHOADS: What's the
20 Department of Assessment's timeframe as to
21 when we can expect revisions to the Adapt
22 system?

23 MR. MILES: So sorry. I lost you
24 again.

25 LEGISLATOR RHOADS: What is the

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2 Department of Assessment's timeframe as to
3 when we can expect revisions to the Adapt
4 system?

5 MR. MILES: I will go back and
6 talk to the IT division who works with it on a
7 regular basis.

8 LEGISLATOR RHOADS: Is there any
9 timetable within the Department of
10 Assessment? You've indicated that you started
11 that review. Is there any kind of one-year
12 plan, two-year plan, five-year plan as to when
13 we can expect there to be revisions?

14 MR. MILES: No timetable yet but
15 I will talk to the technologists in our
16 department.

17 LEGISLATOR RHOADS: Because
18 obviously you understand, Mr. Miles, and I'm
19 sure Mr. Moog understood, at least I hope
20 everybody did, that every time one of these
21 problems occur these are real people who have
22 to pay more than their fair share of taxes
23 that we then at county taxpayer expense have
24 to go back and fix these mistakes.

25 As much as we would like to say

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2 hey, it's the computer's problem, the computer
3 works for the Department of Assessment. At
4 some point in time it has to become the
5 Department of Assessment's problem. It has to
6 become the county's problem. It has to become
7 our government's problem to try and fix what
8 we know is a system that isn't working. You
9 would agree with that, right?

10 MR. MILES: I agree that we have
11 to look at this program and see what we can
12 potentially do to improve it or move on from
13 it.

14 LEGISLATOR RHOADS: If we know
15 that the computer system continues to make
16 mistakes, why is it before the actual roll is
17 finalized do we not go back and review, at
18 least a sampling, to make sure that with
19 respect -- and it seems to be occurring with
20 respect to exemptions -- why aren't we going
21 back and taking a look at each exemption and
22 doing a sampling of those properties to ensure
23 that the exemption is being applied properly?

24 MR. MILES: I believe there is
25 sampling done. We reviewed the assessment and

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2 the percentages of the assessment.

3 LEGISLATOR RHOADS: For the
4 veterans exemption that we're talking about
5 we've identified that there is now 4,000
6 veterans who had to pay thousands of dollars
7 more than they had to pay. Take money out of
8 their pocket. Many are seniors. Many are on
9 fixed incomes. Probably paying money that
10 they didn't have to pay their taxes and we're
11 throwing up our hands and saying sorry, it's a
12 mistake and we'll get you a check whenever we
13 figure out how we're going to get you paid.

14 MR. MILES: I don't agree with
15 the characterization that we're just throwing
16 up our hands. I think we're concerned. We're
17 upset about it. Like I told Legislator
18 Walker --

19 LEGISLATOR RHOADS: I guess my
20 point is, we're all concerned about it but our
21 concern doesn't make up for the thousands of
22 dollars they had to take out of their
23 pockets -- who knows where they came up with
24 it from -- and now they're waiting on us to
25 pay them back. The concern is great but

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2 concern doesn't pay the bills.

3 One, when are we getting them their
4 money back? But two, when are we going to
5 make sure that these mistakes aren't going to
6 be made in the first place?

7 MR. MILES: The budget question I
8 think has to be asked of OMB. But the
9 technology is -- we continue to build up our
10 staff, continue to train people, continue to
11 look at these issues. Some of these issues
12 are extraordinarily unique. An exemption not
13 being applied to certain special districts is
14 just a very unique situation.

15 But in response to that, we moved
16 quickly in analyzing the situation and we're
17 putting together the resolutions that should
18 be filed relatively shortly and we are
19 finding, based on every systematic issue
20 that's coming up with Adapt, we come up with a
21 response in kind.

22 So, I think we got to keep on
23 increasing the quality controls in the unit
24 and we're looking into ways to improve the
25 Adapt technology, if not move on from Adapt

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2 technology.

3 LEGISLATOR RHOADS: Just so I
4 understand your testimony, with respect
5 specifically to the veterans exemption, it's
6 your understanding that there was sampling
7 that was performed with respect to how the
8 Adapt system was analyzing veterans
9 exemptions?

10 MR. MILES: I'm not aware of the
11 level of sampling that was done with the
12 exemptions. There's 70,000 veterans
13 exemptions.

14 LEGISLATOR RHOADS: Do you know
15 whether there is? Is there sampling that's
16 performed?

17 MR. MILES: We quality control
18 the assessment rolls and the tax rolls. This
19 is just an extraordinarily unique situation
20 where a certain exemption wasn't applied to a
21 special district where that is the case for
22 some of the exemptions but not for this one.
23 I think the uniqueness of the systematic error
24 caused a problem.

25 But, you know, we are working

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2 towards solutions not for this but for any
3 problems that we foresee and we just continue
4 to develop the department and improve.

5 LEGISLATOR RHOADS: I guess part
6 of my concern is that we are being very
7 reactive. After the fact we're trying to
8 figure out why a problem occurred and trying
9 to come up with a solution so that the problem
10 doesn't happen again. That's a strategy and
11 obviously that's something that we should be
12 doing. But the other component to that is
13 trying to be proactive in making sure that the
14 mistake doesn't happen in the first place. Or
15 if the mistake does happen that the mistake is
16 discovered before the roll actually goes
17 final.

18 MR. MILES: I think we're taking
19 actions to be more proactive. Like I said
20 before, it's a very unique problem where an
21 exemption is not applied to certain special
22 districts when generally some of those are not
23 but this one should have been. It's an
24 extremely unique situation. I don't think
25 anyone in the department has seen a situation

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2 like this. Very unique. Very particular.
3 But we're going to put controls in so that
4 this and similar issues, like you said, be
5 proactive and make sure things like this don't
6 happen again.

7 LEGISLATOR RHOADS: We think that
8 this particular mistake is going to be a \$5
9 million mistake for county taxpayers, right?
10 That was your estimate?

11 MR. MILES: That is the estimate
12 given to me.

13 LEGISLATOR RHOADS: Back in
14 December, last month, we actually had to fix
15 the assessment on two properties, the Seasons
16 at Seaford and Mill Pond in Port Washington
17 because there was another error where these
18 properties were assessed as new construction
19 and therefore did not receive the benefits of
20 the phase-in and therefore received erroneous
21 property tax bills. And that correction that
22 we passed was about \$2.7 million in liability
23 to the county as well, right?

24 MR. MILES: Yes. 2.7.

25 LEGISLATOR RHOADS: We've got

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2 this \$5 million mistake. We got another \$2.7
3 million mistake that we've now had to fix at
4 county taxpayer expense. And that is where
5 the money comes from, right? I know you don't
6 know what fund it comes out of but regardless
7 of what fund it comes out of it's not like the
8 county is manufacturing widgets, right? We
9 don't manufacture anything. Every dollar that
10 we spend is a dollar that comes from
11 taxpayers, right?

12 MR. MILES: We'd have to talk to
13 budget about where money comes from but yes,
14 taxpayers pay taxes to fund the county.

15 LEGISLATOR RHOADS: We are in
16 agreement on that general thing, right? So
17 it's county taxpayers, regardless of what fund
18 it comes out of, it's county taxpayer money
19 that ultimately winds up having to pay back
20 the mistakes that we make in our assessment,
21 right?

22 MR. MILES: The taxes from the
23 county.

24 LEGISLATOR RHOADS: So, now we're
25 aware of these two mistakes. Do we have

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2 anything else coming down the pike?

3 MR. MILES: The team has been
4 working to review any and all potential
5 programatic issues. So far they have not seen
6 anything else.

7 LEGISLATOR RHOADS: As you sit
8 here today you're aware of there being no
9 other issues with respect to how the tax bills
10 were calculated?

11 MR. MILES: Right.

12 LEGISLATOR RHOADS: If there is
13 something else that comes down the pike that
14 would be a surprise to you at least at this
15 point?

16 MR. MILES: I have confidence in
17 the group. Like I said, there is correction
18 of error resolutions coming down for the
19 veterans. There were clergy that was affected
20 as well. Those resolutions are coming down
21 for the clergy and the veterans.

22 LEGISLATOR RHOADS: What was the
23 mistake with respect to the clergy?

24 MR. MILES: Same issue.

25 LEGISLATOR RHOADS: For the

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2 clergies that's not a partial exemption that's
3 a full exemption, right?

4 MR. MILES: It's supposed to be a
5 partial exemption but the way that the statute
6 is written a lot of it is wholly exempt.

7 LEGISLATOR RHOADS: How many
8 homeowners does this affect?

9 MR. MILES: I think about 800.

10 LEGISLATOR RHOADS: What do we
11 approximate the total cost to be to county
12 taxpayers?

13 MR. MILES: I apologize. I
14 combined the impact for the two.

15 LEGISLATOR RHOADS: For veterans
16 and the clergy?

17 MR. MILES: Yes.

18 LEGISLATOR RHOADS: That's
19 included within the five million?

20 MR. MILES: Yes.

21 LEGISLATOR RHOADS: Now, when
22 these corrections are made how is that going
23 to impact residents' second half tax bills?

24 MR. MILES: I'm sorry, I lost you
25 at the end.

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2 LEGISLATOR RHOADS: How is this
3 going to affect residents' second half tax
4 bills?

5 MR. MILES: The second half tax
6 bills will be corrected.

7 LEGISLATOR RHOADS: With respect
8 to the correction, does the difference get
9 spread out among other taxpayers or is the
10 county going to be footing the bill for the
11 second half as well?

12 MR. MILES: Correct.

13 LEGISLATOR RHOADS: So, all of
14 the refunds that are due to taxpayers we not
15 only have to pay the refund to the individual
16 taxpayer who overpaid as a result of the
17 Department of Assessment's error but we also
18 have to make the individual taxing
19 jurisdictions whole on the second half?

20 MR. MILES: Correct. That is
21 included in the \$5 million. That's my
22 understanding.

23 LEGISLATOR RHOADS: That's your
24 understanding. Bear with me. We covered a
25 lot of ground so far between all the questions

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2 you've been asked. I'm just trying to not go
3 over things we've gone over before.

4 MR. MILES: I understand. I
5 appreciate that.

6 LEGISLATOR RHOADS: Has the
7 Department of Assessment done any analysis
8 with respect to the impact notices that were
9 sent out as to how many people based upon the
10 tax impact notices were going to receive a
11 percentage increase over a decrease?

12 MR. MILES: I don't have that
13 report.

14 LEGISLATOR RHOADS: There is a
15 report however that was done, correct?

16 MR. MILES: I believe I'm
17 producing that report.

18 LEGISLATOR RHOADS: This is based
19 on the tax impact notices that went out two
20 years ago, right? At the time those tax
21 impact notices went out was there any kind of
22 breakdown within the Department of Assessment
23 as to how many people were expected to receive
24 a tax increase versus a decrease in individual
25 jurisdictions?

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2 MR. MILES: I believe the numbers
3 were 52 to 48.

4 LEGISLATOR RHOADS: That was
5 overall but was there a breakdown -- and it
6 turns out that 65-35 is the actual breakdown,
7 right? So, those initial estimates were not
8 exactly accurate, right?

9 MR. MILES: Remember, we talked
10 about this earlier, projections based on
11 previous school district budgets. So, the
12 estimates change based on one of those major
13 variables.

14 LEGISLATOR RHOADS: But at the
15 time there was an analysis that was broken
16 down by individual school district?

17 MR. MILES: I don't recall seeing
18 that report.

19 LEGISLATOR RHOADS: At the time
20 we were sending out tax impact notices as to
21 what the anticipated impact would be on
22 individual homeowners we didn't take a look at
23 what the impact would be on individual
24 communities?

25 MR. MILES: It could have been

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2 but I did not see that report myself.

3 LEGISLATOR RHOADS: As general
4 counsel is that something that typically would
5 go to you?

6 MR. MILES: There's a lot of
7 things that come my way in this department.

8 LEGISLATOR RHOADS: It's possible
9 that that report does exist, you just don't
10 recall having seen it?

11 MR. MILES: Correct.

12 LEGISLATOR RHOADS: And if that
13 analysis does exist that's something that the
14 Department of Assessment could provide to the
15 legislature in a timely fashion?

16 MR. MILES: Yeah. I believe it
17 was similar to the request that was made
18 before. But I do request, as in the past,
19 that counsel will provide me with the request
20 from the legislature.

21 LEGISLATOR RHOADS: I'm sure that
22 we will take that request under advisement.
23 But that's something that obviously we're on
24 the record today and we can certainly make a
25 note of it. I want to make sure that we don't

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2 lose track of that. You know that's something
3 that we're going to be looking for?

4 MR. MILES: I'm attempting not to
5 lose track of any of the reports or requests
6 made. But it does help to have also counsel
7 reaffirm.

8 LEGISLATOR RHOADS: We will make
9 sure to get that to you Mr. Miles. This way
10 there's no confusion. Can you also check,
11 before we leave the topic of the mistake I
12 guess with respect to veterans and with
13 respect to I guess clergy are included in
14 that, can you get us an answer as to when we
15 would expect that residents that were victims
16 of this mistake were going to be made whole?

17 MR. MILES: There's someone in
18 the background talking. I couldn't hear.

19 LEGISLATOR RHOADS: With respect
20 to the mistakes that were made in the veterans
21 exemption and I guess the exemption as applies
22 to clergy, is there a way for you to check to
23 see when we expect that individuals are going
24 to be made whole?

25 MR. MILES: We have to

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2 communicate with the treasurer's office and if
3 we can get corrected bills out we would have
4 to talk this out with the receivers.

5 LEGISLATOR RHOADS: You'd have to
6 talk it out with the receivers to get
7 corrected bills out but I'm talking about the
8 actual refund that's due to taxpayers to the
9 amount that they overpaid.

10 MR. MILES: Right. I'd have to
11 talk to the treasurer's office.

12 LEGISLATOR RHOADS: That's has
13 nothing to with the receivers, right?

14 MR. MILES: Right. Correct. The
15 treasurer is separate from the receiver. The
16 receiver does the issuance of the tax bills.

17 LEGISLATOR RHOADS: Just so we're
18 clear because there's been some confusion, at
19 least in reports from the media, the mistakes
20 that we're talking is not mistakes that were
21 made by the receiver of taxes, correct?

22 MR. MILES: I don't recall seeing
23 any articles or reports from anyone saying
24 that there is a mistake from the receiver and
25 the one receiver who stated his concern I've

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2 talked with said receiver. He was very
3 gracious.

4 LEGISLATOR RHOADS: The point is
5 the receivers of taxes are only putting out,
6 when they calculate these tax bills, are only
7 putting in information that they receive from
8 our Department of Assessment, correct?

9 MR. MILES: Correct. They only
10 take the data and they print paper.

11 LEGISLATOR RHOADS: In terms of
12 the individual town receivers, if there are
13 any errors with respect to the tax bills those
14 errors are because of the information that
15 they were provided, they're not errors that
16 were made by the actual receivers of taxes,
17 correct?

18 MR. MILES: I don't think I've
19 ever made that representation.

20 LEGISLATOR RHOADS: I just want
21 to make sure on the record that that's
22 accurate.

23 MR. MILES: No. I definitely do
24 not make that representation at all.

25 LEGISLATOR RHOADS: If you could

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2 get us the information again I would
3 appreciate it. Only because what I'm hearing
4 from residents is that when residents call the
5 county executive's office they're being told
6 to call their legislator. We're turning
7 around and asking these questions so that we
8 actually have information to be able to
9 provide back to individual residents. So we
10 need the information. If you can't get the
11 information to us at least get the information
12 to the county executive's office, so when
13 residents call perhaps the county executive's
14 office can answer the resident's question
15 instead of sort of passing it off.

16 Now, you had answered some
17 questions earlier about the defensive values
18 at ARC and the defensive values at SCAR.

19 MR. MILES: I'm not going to
20 pontificate on ARC. They're an independent
21 commission.

22 LEGISLATOR RHOADS: I understand
23 that they're an independent commission. But
24 I'm talking about specifically with respect to
25 the Department of Assessment's position,

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2 right? You indicated that the Department of
3 Assessment provides evidence during these
4 proceedings to defend its values, correct?

5 MR. MILES: Correct.

6 LEGISLATOR RHOADS: You were
7 pretty consistent about that answer. The
8 relevant question I think is, does the
9 Department of Assessment change the evidence
10 that it uses to defend those values from the
11 evidence that it used to calculate those
12 values in the first instance?

13 MR. MILES: You don't use
14 evidence to produce values. You use evidence
15 to defend the value. You use a large swath of
16 market values and sales to produce the market
17 value.

18 LEGISLATOR RHOADS: My question
19 though is --

20 MR. MILES: It's common practice
21 throughout New York State and many other
22 jurisdictions and this is the procedure.

23 LEGISLATOR RHOADS: My question
24 though is one really with respect to
25 transparency. If the Department of Assessment

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2 at the time it creates the initial value is
3 using a certain set of facts and information
4 how is someone challenging that value supposed
5 to know if the Department of Assessment
6 changes it when it's trying to change its
7 values?

8 MR. MILES: I don't think the
9 department is changing its opinion of value.
10 I don't think it's changing evidence. I think
11 we use all the market sales when we do the
12 mass appraisals. And then when we do the
13 evidence at SCAR it's whittled down to five
14 comparable sales. I don't think we are
15 changing our opinion of values as I stated
16 before. You have a large swath of market
17 sales, comparable sales and then you whittle
18 it down to five.

19 LEGISLATOR RHOADS: But does the
20 department change the five values that it uses
21 to defend its values?

22 MR. MILES: I don't think the
23 department changes anything. The opinion
24 remains the same. It's just the development
25 of the defense. Our job there is just to

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2 sustain the value that we placed on it when we
3 placed the tentative roll.

4 LEGISLATOR RHOADS: Turning to
5 the topic of new construction for a second,
6 Mr. Miles. New construction was not
7 considered to be part of the phase-in that the
8 county executive sought approval for in
9 Albany, correct?

10 MR. MILES: The law that is
11 utilized by the county of Nassau is consistent
12 with the reassessment exemption used in other
13 jurisdictions. Which excludes physical
14 improvement from the exemption.

15 LEGISLATOR RHOADS: So the answer
16 is yes, new construction was included in the
17 phase-in?

18 MR. MILES: Consistent with other
19 laws, yeah.

20 LEGISLATOR RHOADS: It doesn't
21 sound as though any potential account was
22 taken with respect to the Superstorm Sandy
23 homes.

24 MR. MILES: I don't know if
25 that's the case.

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2 LEGISLATOR RHOADS: What I seem
3 to be hearing at least, there's a subset of
4 the population, particularly in South Shore
5 communities, that had to do either optional or
6 mandatory elevation either during or after the
7 2018 year where greater than 50 percent of
8 their home would have been modified to make
9 them considered as new construction. That
10 wasn't included as part of any phase-in,
11 correct?

12 MR. MILES: I mean, I don't
13 believe many of the parcels remaining in the
14 South Shore have this issue. I don't recall
15 seeing this issue at all.

16 LEGISLATOR RHOADS: But the
17 administration at this point is apparently
18 going to Albany to request that new
19 construction now be phased in?

20 MR. MILES: It's a separate
21 exemption from one that exists already. It's
22 the home improvement exemption. It is a
23 separate exemption from this one consistent
24 with construction exemptions.

25 LEGISLATOR RHOADS: For example,

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2 the last time we spoke, the Wantagh homeowner
3 who saw his school taxes go up from 8,000 to
4 \$23,000 because of his home being assessed as
5 new construction, what's the practical impact
6 going to be with respect to that particular
7 homeowner if this exemption is passed?

8 MR. MILES: I'm sorry, can you
9 repeat the question?

10 LEGISLATOR RHOADS: Not a
11 problem. When we spoke earlier there was a
12 Wantagh homeowner that I alluded to during the
13 last hearing that saw his school taxes go up
14 from \$8,000, \$8,500 to \$23,000 because his
15 home was considered to be new construction.
16 If this phase-in, if the additional phase-in
17 is passed, do we know what the impact would
18 be? How would that phase-in work on somebody
19 in a similar position to this particular
20 homeowner?

21 MR. MILES: The new construction
22 value of the home as the law is written now is
23 that they would get an exemption, an
24 eight-year exemption, and starting with the
25 physical value that was placed onto the roll

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2 for that or any applicable tax roll moving
3 forward. With the exemption declining over
4 eight years.

5 LEGISLATOR RHOADS: Would that be
6 phased in in equal parts?

7 MR. MILES: It should be, yes.
8 It's 12 and a half percent each year.

9 LEGISLATOR RHOADS: Do we know
10 what the status of that legislation is?

11 MR. MILES: I do not know.

12 LEGISLATOR RHOADS: Has the
13 Department of Assessment in calculating the
14 '22-'23 roll anticipated that phase-in?

15 MR. MILES: In terms of?

16 LEGISLATOR RHOADS: In the
17 Department of Assessment's analysis of the
18 '22-'23 roll has the Department of Assessment
19 taken into account the possibility of that
20 phase-in?

21 MR. MILES: We don't even have
22 the school budget for '21-'22 and it probably
23 would be tough to project what the school
24 budgets would be for '22-'23.

25 LEGISLATOR RHOADS: Just want to

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2 talk a little bit about ladder reports and to
3 just dovetail on something that Legislator
4 Ferretti was asking about in his questioning.
5 When the prior assessor, Mr. Moog, was
6 testifying before the legislature he indicated
7 that the Department of Assessment utilized
8 ladder reports to show residents a breakdown
9 of the valuation of subject property and the
10 ladder report enhanced transparency. Yet when
11 the county was sued on this issue the
12 department agreed that the ladder reports were
13 not accurate representations of how the value
14 was in fact determined. Do you remember that
15 testimony, the earlier testimony?

16 MR. MILES: I vaguely remember
17 this conversation.

18 LEGISLATOR RHOADS: But then the
19 '21-'22 roll was trended. Again, presumably
20 using the information contained in the ladder
21 reports.

22 MR. MILES: Using the market
23 value.

24 LEGISLATOR RHOADS: But again,
25 using the same factors that go into the --

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2 that would have been listed in the ladder
3 report, correct?

4 MR. MILES: That's what the
5 '20-'21 market value was based off of and
6 then we trended based on school district
7 market values.

8 LEGISLATOR RHOADS: Now for the
9 '22-'23 roll you're now locking that in place
10 because of the frozen roll?

11 MR. MILES: We've frozen the
12 market values.

13 LEGISLATOR RHOADS: In reality,
14 the ladder report itself is in fact still
15 relevant, is it not? Because it's the base of
16 the trended number and the frozen assessment.
17 In other words, it's all based on the same
18 ladder report?

19 MR. MILES: I'm not sure. I'm
20 pretty sure I remember some testimony saying
21 that the '21-'22 ladder reports are no
22 longer -- or that the '20-'21 was no longer
23 useful for '21-'22.

24 LEGISLATOR RHOADS: What are you
25 trending off of?

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2 MR. MILES: If that's the case
3 then they're not relevant for '22-'23.

4 LEGISLATOR RHOADS: The
5 assessments that were in '20-'21 were not the
6 basis for the assessments in '21-'22?

7 MR. MILES: No. They are.

8 LEGISLATOR RHOADS: So the
9 information that was contained in the ladder
10 reports for '20-'21 why is that no longer the
11 basis for the assessment roll in '21-'22?

12 MR. MILES: We trended the market
13 values. Also, if I recall, it's been agreed
14 upon that the ladder report not be included.

15 LEGISLATOR RHOADS: But the
16 ladder report is simply giving homeowners for
17 the purposes of transparency an explanation as
18 to how their value was calculated, correct?

19 MR. MILES: But legislator,
20 respectfully, this was already agreed to and
21 approved by the county attorney's office and
22 by this body.

23 LEGISLATOR RHOADS: But I'm
24 trying to understand how a homeowner for the
25 purpose of transparency is supposed to

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2 understand how the Department of Assessment
3 actually calculated its value.

4 MR. MILES: I think we've stated
5 it before I think it's on the website and I am
6 not going to renegotiate or re-litigate what
7 happened. I believe there was an agreement in
8 place. County attorney's office agreed to
9 that with the opposing party and I believe
10 this body approved it.

11 LEGISLATOR RHOADS: But part of
12 that was supposed to be, and part of the
13 settlement was supposed to be, making public
14 all of the 180 independent variables or
15 predictors that were used in the
16 computer-assisted mass appraisal modeling in
17 the reassessment and the coefficients or
18 multipliers for those variables in each market
19 area including the neighborhood coefficient.

20 MR. MILES: Okay.

21 LEGISLATOR RHOADS: Where is that
22 information on the county website?

23 MR. MILES: I will talk to the IT
24 department.

25 LEGISLATOR RHOADS: But if the

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2 whole idea behind this is supposed to be
3 transparency, right, and that was the initial
4 idea of the ladder report was supposed to
5 provide transparency, correct?

6 MR. MILES: I believe, but, like
7 I said, I'm not going to renegotiate the
8 agreement regarding the ladder report --

9 LEGISLATOR RHOADS: I'm not
10 asking you to renegotiate.

11 MR. MILES: -- but I am working
12 with the IT department to put up information.

13 LEGISLATOR RHOADS: I'm not
14 asking you to renegotiate. What I'm asking
15 for is what assurance the Department of
16 Assessment is making so that individual
17 homeowners can understand how their assessment
18 was actually calculated. If the ladder report
19 was supposed to do that for the '20-'21 roll
20 and now the Department of Assessment, in a
21 settlement, has said yes, that information was
22 inaccurate and it's no longer good, right?
23 What is the Department of Assessment doing for
24 the '21-'22 roll for the '22-'23 roll and for
25 rolls going forward to make that transparent?

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2 MR. MILES: I think, like you
3 said before, improving the website per the
4 agreement and putting up the information
5 that's in the agreement and I will discuss
6 this with the IT department.

7 LEGISLATOR RHOADS: But
8 homeowners right now are in the process of
9 grieving their taxes for the '22-'23 year.
10 Part of that --

11 MR. MILES: That is not correct.
12 I'm sorry. Can you repeat the year? I
13 apologize.

14 LEGISLATOR RHOADS: Right now for
15 the '22-'23 tax year the grievance period is
16 now open, right?

17 MR. MILES: Yes.

18 LEGISLATOR RHOADS: So homeowners
19 presumably have the opportunity if they
20 believe the Department of Assessment is wrong
21 in their calculations have the ability to
22 grieve their assessments, right? That's the
23 purpose to the grievance period, right?

24 MR. MILES: Yes.

25 LEGISLATOR RHOADS: In order to

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2 be able to do that the individual homeowner
3 should be able to understand how the
4 Department of Assessment used the 180
5 independent variables to calculate their
6 assessed value.

7 MR. MILES: I don't think when
8 you grieve your assessment you grieve the
9 process. You grieve the value.

10 LEGISLATOR RHOADS: I
11 respectfully disagree. As a homeowner, I have
12 the ability not only to disagree with your
13 conclusion but I have the ability to challenge
14 your conclusion. I also have the ability to
15 challenge the methodology that you used to
16 make that conclusion. I'm not restricted in
17 the proof that I can provide as a homeowner.
18 I have the ability to take a look at how those
19 180 independent variables or predictors were
20 used in determining my value and arguing why
21 some are incorrect, don't I?

22 In other words, when you have, in
23 school, when you have a math equation it's not
24 necessarily the answer. You're always taught
25 to show the math so that you have an

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2 opportunity during the course of the process
3 to see if there was a mistake made that
4 effected the ultimate conclusion.

5 If that information isn't on the
6 county website as per the agreement that was
7 reached months ago, you have homeowners that
8 are actively in the process now of grieving
9 their taxes that don't have the benefit of
10 that information. When can we anticipate that
11 information is going to be up on the county
12 website?

13 MR. MILES: I will discuss it
14 with the IT department.

15 LEGISLATOR RHOADS: When do we
16 expect that that discussion is going to happen
17 and when are we going to get an answer to that
18 question?

19 MR. MILES: I will have it this
20 week.

21 LEGISLATOR RHOADS: Why is this
22 the first time that we're thinking about it?

23 MR. MILES: I'm sure other
24 individuals might have discussed this with the
25 IT department but I will be the one following

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2 up.

3 LEGISLATOR RHOADS: I know that
4 there are a few other legislators that have
5 questions. There may be an opportunity to
6 circle back later but we are running out of
7 time.

8 LEGISLATOR FERRETTI: Thank you
9 Legislator Rhoads. Legislator Drucker.

10 LEGISLATOR DRUCKER: Thank you
11 Chairman Ferretti. I know you told me to be a
12 little patient this morning but I think three
13 hours is excessive. And I think as a point of
14 order perhaps we should consider some
15 modification going forward with some of these
16 meetings that we as legislators should be
17 limited with a certain amount of time. It's
18 really unfair after three hours.

19 LEGISLATOR FERRETTI: I would
20 just remind you there's two committees here.
21 It's a dual committee meeting, so obviously
22 there are more legislators that are asking
23 questions than if it was a single committee.
24 But I certainly think all the questions that
25 have been asked have been quite on point, and

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2 I think if there were less questions on
3 resolve we'd have less questions to ask. But
4 I appreciate your view.

5 LEGISLATOR DRUCKER: No, no. I
6 agree. I'm not diminishing or demeaning any
7 of the questions that were asked. I'm just
8 saying that the length of the colloquy was
9 rather excessive but thank you.

10 We've spent a few three hours here
11 really highlighting the anomalies and the
12 errors that have occurred. No one can deny
13 that. Mr. Miles, Mr. May. Mr. Miles I've had
14 extensive conversations with you as you know
15 Nassau County having had a frozen tax roll for
16 almost ten years resulting in this grossly
17 inaccurate assessment system. Any time a
18 municipality undertakes a reassessment the
19 idea of course is to achieve a fair and
20 accurate assessment and tax roll. Wouldn't
21 you agree with that, Mr. Miles?

22 MR. MILES: Yes, I agree.

23 LEGISLATOR DRUCKER: Again, we've
24 asked this before. After this reassessment
25 what is considered to be the standard level of

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2 accuracy or margin of error nationally?

3 MR. MILES: If you have a roll
4 within ten percent coefficient of dispersion
5 you're considered very accurate. We are below
6 that.

7 LEGISLATOR DRUCKER: How much
8 below?

9 MR. MILES: I think we're at
10 somewhere between 8.5 and 8.9.

11 LEGISLATOR DRUCKER: I think you
12 had indicated once before, right now pending
13 before ARC there were about 80,000 appeals for
14 the '20-'21 roll of which 55,000 were offered
15 settlements?

16 MR. MILES: SCAR. Yes, there
17 were 80,000 petitions filed. Somewhere in the
18 40 to 50 percent received a reduction. 25
19 percent of that -- I mean received an offer.
20 25 percent of that received I believe a zero
21 percent, or accepted a zero percent offer.
22 And the average reduction between the
23 negotiations for the SCAR mediation program
24 and court is four percent. Which is well
25 below that ten percent number.

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2 LEGISLATOR DRUCKER: That
3 indicates to you and to your department and
4 really should indicate to taxpayers that by
5 and large it's an accurate tax roll?

6 MR. MILES: Highly accurate.

7 LEGISLATOR DRUCKER: By the way,
8 are your tax rolls reviewed by the state of
9 New York.

10 MR. MILES: Yes. We do send our
11 assessment rolls up to the Office of Real
12 Property Tax Services.

13 LEGISLATOR DRUCKER: Do you ever
14 get feedback from them on that?

15 MR. MILES: They confirm our
16 municipal ratios so far of point one percent.
17 Which means our assessments are accurate
18 again.

19 LEGISLATOR DRUCKER: All
20 governments should aspire and I think we all
21 do aspire to be proactive rather than reactive
22 as Legislator Rhoads had indicated here.
23 Obviously we all can't predict a computer
24 error which resulted in the veterans not
25 receiving their exemptions. I understand

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2 that. That was a computer error. I think the
3 Adapt program that was implemented by the
4 department was designed to mitigate against
5 those type of errors but errors happen; is
6 that correct, Mr. Miles?

7 MR. MILES: Correct. That is
8 correct.

9 LEGISLATOR DRUCKER: That program
10 was a proactive attempt to try to address
11 things that might happen in a monumental
12 effort of reassessing 400,000 homes?

13 MR. MILES: Yes.

14 LEGISLATOR DRUCKER: We've talked
15 today about the disparate treatment that new
16 construction, condominiums, have gotten and
17 substantially renovated homes that have
18 undergone physical changes. We've had
19 extensive discussions with your office, you
20 and I in your office, over the past year
21 concerning really the glaring inequity and
22 flaw in the New York State Real Property Tax
23 Law in which new construction, condos and
24 homes with substantial physical changes are
25 taxed differently and are not afforded the

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2 exemption that all the homeowners are entitled
3 to and not being subject to the benefits of
4 the TPP; isn't that right, Mr. Miles?

5 MR. MILES: Yes, that's correct.

6 LEGISLATOR DRUCKER: In fact, you
7 and David Moog and the county attorney's
8 office in fact drafted legislation almost a
9 year ago that was given to our state
10 legislators to file in Albany to change the
11 way properties are taxed. But these changes
12 must occur at the state level; isn't that
13 correct?

14 MR. MILES: That is correct.

15 LEGISLATOR DRUCKER: The bill
16 that has been filed in Albany we are anxiously
17 awaiting would correct this flaw; isn't that
18 correct?

19 MR. MILES: We are awaiting -- I
20 don't know where we are at with the bill but
21 yes, we are waiting for our legislators to act
22 on it.

23 LEGISLATOR DRUCKER: If the bill
24 is passed, just briefly explain how new
25 construction, condos and substantially

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2 renovated homes how will they then be
3 treated. In fact, from what we understand
4 now, the bill also calls for an eight and a
5 half year phased in, an exemption; isn't that
6 correct?

7 MR. MILES: Correct. The way
8 that the bill is drafted it's consistent with
9 home improvement and construction laws, which
10 is probably the proper place to place this
11 exemption. It amends the 421(f) exemption.
12 It gives a 12 and a half percent decreasing
13 exemption over eight years to the newly
14 constructed portion of the property. It's a
15 very good exemption.

16 LEGISLATOR DRUCKER: Thank you.
17 Again, this was also asked already. One of
18 the problems of going after three hours. The
19 errors that resulted in the failure to provide
20 veterans with their entitled exemptions and
21 the error that we had talked about last month
22 in which a condominium in Port Washington and
23 Seaford were classified incorrectly, those are
24 the types of errors that occur irrespective of
25 who is the assessor, correct? Whether he's

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2 elected, appointed or what; isn't that
3 correct?

4 MR. MILES: That is absolutely
5 correct.

6 LEGISLATOR DRUCKER: Legislator
7 Ferretti had a question about a homeowner's
8 assessment going up and their taxes going up
9 in year one of the five year phase-in and then
10 it stands to reason that their taxes would
11 continue to go up for the next four years.
12 But that is not necessarily true; isn't that
13 right? Because as increased value on the tax
14 rolls are added due to the phase-in there are
15 tax rates that could come down going forward
16 and there are people who could experience
17 actually a reduction in their taxes even after
18 the first year of it going up; isn't that
19 true?

20 MR. MILES: That is true.

21 LEGISLATOR DRUCKER: Could you
22 elaborate on that?

23 MR. MILES: As I was stating to
24 Legislator Rhoads, assessment is a
25 case-by-case basis. Very much contingent upon

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2 your relationship and your assessment compared
3 to your neighbors in the school district. So,
4 it's not a one-to-one ratio. It's very
5 dependent on a variety of factors. Most
6 importantly, your relationship of your
7 assessment to your neighbors and the school
8 district levy and obviously the general levy.

9 LEGISLATOR DRUCKER: So, with the
10 increase in property value that comes on the
11 rolls that could force school districts to
12 lower their tax rates; isn't that true?

13 MR. MILES: More likely than not,
14 tax rates will go down because values are
15 going up.

16 LEGISLATOR DRUCKER: Legislator
17 Rhoads pointed out in Baldwin, Bellmore
18 rather, people experiencing 75 percent
19 increase in taxes. Is it fair to say that
20 there are some districts where that would be
21 reversed? Where you have certain districts
22 where the majority of the taxpayers are going
23 to have their taxes going down kind of like a
24 reverse of the 75 percent that he mentioned as
25 an example in Bellmore?

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2 MR. MILES: I believe there are
3 some districts like that. It's like I said,
4 legislator, it's all about the relationship
5 between your assessment, your neighbors and
6 the levy.

7 LEGISLATOR DRUCKER: I just have
8 one more question. As far as the Department
9 of Assessment getting information that would
10 trigger some form of evaluation that you
11 talked about with aerial photographs. I think
12 Legislator Ferretti was talking about that.
13 Does the taking out of a permit to perform
14 improvements to a property, does that trigger
15 that kind of attention that perhaps would then
16 require or result in the department conducting
17 some of those higher technological searches of
18 a property?

19 MR. MILES: Yes, they do. When
20 we receive the permits and see a square
21 footage change it does raise the antennas of
22 the assessors and they will review the
23 increase in the square footage.

24 LEGISLATOR DRUCKER: I'm going to
25 yield to my any other legislators.

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2 LEGISLATOR FERRETTI: Thank you
3 Legislator Drucker. Legislator
4 DeRiggi-Whitton.

5 LEGISLATOR DERIGGI-WHITTON:
6 Again, I think most of my points have been
7 covered, but I do request that every step that
8 we can make to be transparent be followed up
9 as soon as possible. Robert, I know it's
10 maybe not even under your job category but
11 making sure the website is clear, making sure
12 we get the correction of error list as soon as
13 possible to all of the legislators. Anything
14 we can do to make it more transparent I think
15 will help to reassure not only the veterans
16 and the clergy but everyone else who is
17 questioning their assessment.

18 I'm going to just say one thing. I
19 think two years ago we all knew that the
20 assessment roll had to be addressed. Ten
21 years of it being stagnant, other than some
22 people appealing and some people not, we knew
23 it wasn't fair. I know the county executive's
24 intentions were to make it fair. What I think
25 happened unfortunately, SVS when we hired

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2 them, and I voted for that contract, I think
3 it was \$5 million, did they do a reassessment
4 or a reevaluation?

5 MR. MILES: They did the
6 systematic review and they performed the
7 reassessment.

8 LEGISLATOR DERIGGI-WHITTON:
9 Would you call it a reassessment or would you
10 call it a reevaluation? There is a technical
11 difference.

12 MR. MILES: It's a mass appraisal
13 modeling reappraisal.

14 LEGISLATOR DERIGGI-WHITTON: The
15 modeling I think is where we kind of are all
16 suffering the consequences because I think the
17 neighborhood factor and basic changes in the
18 school districts' tax rolls it wasn't what I
19 thought was going to happen. I really thought
20 for the \$5 million it was going to go house by
21 house not neighborhood by neighborhood. Not,
22 in my opinion, a way that didn't take all the
23 factors that really should have been taken
24 into effect.

25 I really think the roll from day

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2 one, because it was done that way, has caused
3 a lot of problems and a lot of questions. I
4 think that your office has made a big attempt
5 to correct it. But I really thought as a
6 legislator that we were going to get a
7 complete reassessment not a reevaluation.
8 Which, again, took things, moving things back
9 and forth and neighborhoods and whether or not
10 the neighborhood factor I even agreed with
11 sometimes. I saw it in my own district.
12 Unless you didn't know the district there is
13 no way you would have agreed with the
14 neighborhood factor.

15 MR. MILES: Just to address that,
16 I do believe this was a fully formed and
17 highly accurate reassessment. I think for a
18 jurisdiction of this size and I mean not being
19 assessed for ten years we really kept the data
20 quite in very good shape and that produced a
21 very accurate model. And the companies that
22 were hired to produce the values they are
23 individuals, or not the companies but the
24 individuals who represented the companies, are
25 highly educated, highly trained professionals

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2 who have been doing this for many years and
3 know all the neighborhoods and districts like
4 the back of their hand.

5 So, it wasn't just modeling and
6 just reviewing the data. They also used their
7 experience as appraisers to value the property
8 and would give input on the modeling. I think
9 that was really important and that's why it
10 produced such an accurate roll. The issue
11 that you point to legislator is the Adapt
12 system that has caused problem. As I said
13 before, something we are reviewing.

14 LEGISLATOR DERIGGI-WHITTON: I
15 hope you're right. Just as common person, I
16 do disagree with the some of the neighborhood
17 factors in my own district and growing up
18 there and knowing some of the homes that had
19 waterfront views compared to other places
20 closer to like industrial areas. Some of the
21 neighborhood factors I really thought were off
22 to say the least.

23 But I know that the intention was
24 good to try to fix this roll. I wish we did
25 do it a little bit more by reevaluation which

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2 would have been, a reassessment, which would
3 have been house by house. I think a lot of it
4 was relied upon by reevaluation, which is
5 again factors that don't always pan out and
6 now we're trying to correct it.

7 It's really, unfortunately, in my
8 opinion, what started out as the right move
9 has become a problem in justifying the value.
10 Because normally sometimes if it's a
11 reassessment it really is based more on
12 sales. I have people that have values that we
13 can't find the sales anywhere close to. So,
14 it's a tough process.

15 Looking back, I wish we were more
16 aware of the difference between a re-eval and
17 reassessment.

18 But going forward, my constituents
19 were a lot of the ones mentioned in that
20 lawsuit. I've had to deal with them quite
21 often. They're upset. I think that the best
22 thing we can do is to take that ruling or
23 judgement serious and do as quickly and as
24 transparent as possible, as most transparent
25 as possible, fixing any of the suggestions

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2 that were made including to the website and
3 everything else.

4 Finally, I want to just -- this is
5 totally off topic, so I'm probably going to
6 get in trouble -- we have to look going
7 forward. Our taxpayers, many of them, are
8 getting hit with reassessment. I hear the
9 Village of Sea Cliff got hit more than any
10 other village in Nassau County as far as the
11 number of \$5,000 or more per household. I
12 have to live with that and it's really hard.
13 I hear it all the time. We get calls quite a
14 lot.

15 I know we've had issues in this
16 area, in my area, with American Water. \$1,000
17 water bills sometimes. It's really been
18 tough. I'm going to take this second to say
19 going forward with any settlements, like with
20 LIPA in other areas which is not directly
21 related to you, we really have to think about
22 the implications of our school districts and
23 our taxpayers because it seems that some areas
24 are really getting clobbered more than
25 others. As a representative of those areas I

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2 really am trying to stand to make sure their
3 hardships are being recognized. Thank you.

4 LEGISLATOR FERRETTI: Thank you
5 Legislator DeRiggi-Whitton. Legislator Mule.

6 LEGISLATOR MULE: Thank you
7 Mr. Chairperson. Many of my questions were
8 answered. Were asked actually by Legislator
9 Drucker so I'm not going to say much except to
10 reiterate his call for at least thinking about
11 time limits for speakers because I think
12 that's necessary so that everyone has a fair
13 chance to speak.

14 I'm going to add one more request
15 that perhaps the speakers can go back and
16 forth between Minority and Majority or
17 Majority Minority. Again, so everyone has
18 more of a chance to speak. With that I will
19 turn it back. Thank you.

20 LEGISLATOR FERRETTI: Thank you
21 Legislator Mule. Legislator Gaylor.

22 LEGISLATOR GAYLOR: Thank you
23 Legislator Ferretti chairperson and cochair
24 Howard Kopel. These questions I guess are
25 directed to Mr. Miles. And I just want to go

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2 back and talk about this error to 4,000
3 veterans and I guess does that 4,000 include
4 the 800 church or religious organizations that
5 you referenced?

6 MR. MILES: No. That's a
7 separate number.

8 LEGISLATOR GAYLOR: Same number?

9 MR. MILES: Separate.

10 LEGISLATOR GAYLOR: So it's about
11 4800 properties we're talking about. 5,000
12 just round it up. This error was a computer
13 error. A computer error based on a system
14 called Adapt. I think is what you referred to
15 it as, correct?

16 MR. MILES: Right.

17 LEGISLATOR GAYLOR: So the
18 computer spits out data that somebody puts in
19 and I would imagine that the people
20 responsible for what goes into Adapt are
21 within your department, the Department of
22 Assessment; is that correct?

23 MR. MILES: Yeah. People in my
24 department put in the exemptions and then the
25 internal IT division will apply the

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2 exemptions.

3 LEGISLATOR GAYLOR: So when
4 there's an error who is responsible for the
5 error?

6 MR. MILES: Except for the fact
7 that when the error it does not occur based on
8 the application of the exemption by the
9 division. Because it did not relate to the
10 application that was put in place by the
11 division.

12 LEGISLATOR GAYLOR: I mean, the
13 computer system is run and maintained by the
14 Department of Assessment. The data that goes
15 in is by the Department of Assessment?

16 MR. MILES: I don't know about
17 run. It's maintained utilizing Adapt of Tyler
18 Technologies. It's their programing that we
19 use our -- it's their programing that we use
20 to produce the assessment rolls and the tax
21 rolls.

22 LEGISLATOR GAYLOR: Where is the
23 quality control between that third-party
24 vendor I guess that you were alluding to and
25 the Department of Assessment?

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2 MR. MILES: We have been and are
3 putting quality controls in place. As I
4 stated before, this was a very, very unique
5 situation where an exemption was not applied
6 to certain special districts. It's an
7 extraordinarily unique situation that we
8 haven't seen in the past.

9 LEGISLATOR GAYLOR: If it's not
10 the Department of Assessment's responsibility
11 for the error then who exactly is responsible
12 for the error?

13 MR. MILES: We are going to look
14 into the technology that is used and make sure
15 that this doesn't happen again and, as stated
16 before, be proactive in ensuring that the
17 taxes are calculated correctly.

18 LEGISLATOR GAYLOR: That's the
19 same language Mr. Moog used last year and 18
20 months ago in talking about the Adapt system
21 and the problems that were raised after there
22 were errors with seniors or veterans or to the
23 general taxpayers he says the same thing. Now
24 we've gone whole another cycle and we're
25 seeing the same, for lack of a better term,

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2 failure to be proactive.

3 MR. MILES: I don't know if
4 that's a fair characterization. We have put
5 in a quality assurance unit. We are beefing
6 up our quality controls and utilizing those
7 skilled people and improving our systems.
8 Like I said before, the problems that have
9 been produced by this system, by the computer,
10 are extraordinarily unique. This one is an
11 extremely unique situation, especially
12 considering the fact that we have 400 special
13 districts and to apply certain exemptions to
14 certain districts and not others it really is
15 quite complex.

16 LEGISLATOR GAYLOR: I understand
17 that and we live in a very complex environment
18 in Nassau County. Very unique environment.

19 MR. MILES: I agree with that.

20 LEGISLATOR GAYLOR: But that's
21 why we build into contracts quality control
22 measures. That's why we place organizations
23 as responsible agents. That's why we hire
24 people with certain education levels who can
25 oversee such complex matters and are trained

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2 and certified to do such. The buck has to
3 stop somewhere is what I'm saying. We can't
4 tell our constituents it was a computer
5 error. The computer spit out the value. I
6 mean, the county executive used to go around
7 saying I'm not sure -- and I'm generalizing
8 here -- but basically I'm not sure how your
9 assessments were determined because the
10 computer spits it out.

11 So what you're saying now is we
12 have no control over what the computer does.
13 In this instant it affected some 4,000
14 veterans and 800 churches and religious
15 organizations because the computer made a
16 problem.

17 MR. MILES: Not the churches and
18 the religious organizations.

19 LEGISLATOR GAYLOR: Veterans.

20 MR. MILES: And I think that it
21 doesn't change the fact that this has been
22 independently reviewed as an accurate
23 assessment roll. And no matter who you put in
24 charge of the Department of Assessment, this
25 is a very unique technological situation. So,

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2 I think that that has to be put out there.

3 That it takes technologists --

4 LEGISLATOR GAYLOR: I agree
5 totally with you. I mean, it's a very
6 technical area and field we're working in.
7 But the buck has to stop somewhere. If
8 doesn't stop with the Department of
9 Assessment, then the county executive is
10 ultimately responsible for the failures that
11 occurs within the administration.

12 So, I guess it would be fair to say
13 that this is the county executive's fault
14 because she's the overall top administrator.

15 MR. MILES: I don't think it's
16 the county executive's fault.

17 LEGISLATOR GAYLOR: Who can we
18 hold responsible for the continued errors in
19 the Department of Assessment?

20 MR. MILES: I've stated it
21 before, the exemption was applied correctly.

22 LEGISLATOR GAYLOR: I'm asking a
23 very specific question. Who is stepping up to
24 take responsibility for these such errors?

25 MR. MILES: It's not errors.

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2 It's a singular issue that occurred.

3 LEGISLATOR GAYLOR: Who is taking
4 responsibility -- you're not answering the
5 question or you don't want to answer the
6 question. Who is responsible for the error of
7 4,000 veterans. I'm a veteran. If I don't
8 stand up for veterans then shame on me. It's
9 our responsibility as elected representatives
10 to our constituents to stand up for them and
11 ask what they're all asking. Who is
12 responsible?

13 MR. MILES: Some of us are
14 veterans. Some of us have family members who
15 are veterans and we stand on the shoulders of
16 our veterans. That's how we're here. So, I
17 don't think it's fair to say that only this
18 body is representing veterans and cares about
19 veterans. We are veterans here. We support
20 veterans here. We have a good relationship
21 with veterans affairs and I think it's an
22 unfortunate computer error. We are veterans.
23 We appreciate veterans. Our family members
24 are veterans.

25 LEGISLATOR GAYLOR: The error is

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2 computer error. The computer lies within the
3 Department of Assessment. The Department of
4 Assessment, by your own testimony today,
5 doesn't want to take or admit they made a
6 mistake and I can understand that. But
7 somebody has to be held accountable.

8 MR. MILES: I don't want to put
9 blame on staff members who did the right
10 thing.

11 LEGISLATOR GAYLOR: Then I blame
12 you. You're in a leadership position,
13 correct? Obviously you're not the first in
14 charge, maybe not even the second in charge
15 but you're close to the top in a leadership
16 position. Why doesn't anybody from the
17 Department of Assessment in a leadership take
18 responsibility for the actions of the
19 department? We've got a \$5 million mistake
20 that the rest of the taxpayers have to pay
21 for. Who is responsible for the \$5 million
22 error?

23 MR. MILES: I think we're
24 discussed this ad nauseam.

25 LEGISLATOR GAYLOR: You don't

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2 think it's the Department of Assessment, you
3 think it's the computer. Somebody's got to
4 pay \$5 million. Hang on for a sec. The \$5
5 million should come out of the Department of
6 Assessment's budget in my opinion. But where
7 do you propose the responsibility lies for the
8 \$5 million mistake that the Department of
9 Assessment's made?

10 MR. MILES: Legislator, I've
11 talked about this ad nauseam.

12 LEGISLATOR GAYLOR: We will admit
13 you don't want to answer the question. That
14 nobody from the Department of Assessment wants
15 to take responsibility for its own actions.

16 MR. MILES: Legislator, like I
17 said, I talked about this ad nauseam.

18 LEGISLATOR GAYLOR: So, in
19 effect, your statement that assessment is
20 based on a case-by-case basis isn't
21 necessarily true. Assessment is based on what
22 the computer spits out; is that correct?

23 MR. MILES: No. It's a complex
24 system utilizing market sales.

25 LEGISLATOR GAYLOR: And

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2 ultimately the computer spits out a value, is
3 that correct?

4 MR. MILES: We develop a value
5 and then the Adapt system produces taxable
6 value and tax information. But we produce the
7 assessments and, as I stated before, the
8 assessments are highly accurate.

9 LEGISLATOR GAYLOR: Except for
10 4,000 errors that went out.

11 MR. MILES: That's not an
12 assessment issue. That's a taxing issue.

13 LEGISLATOR GAYLOR: We mentioned
14 that veterans were going to get a refund by
15 legislation you were going to introduce or a
16 resolution; is that correct?

17 MR. MILES: That there will be
18 correction of error resolutions coming
19 shortly.

20 LEGISLATOR GAYLOR: For those
21 veterans that couldn't afford to pay their
22 taxes the administration will waive the fees
23 or penalties that may be imposed?

24 MR. MILES: I think that's
25 something to be discussed with the treasurer's

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2 office. I'm not sure of the laws surrounding
3 waving penalties and fees. That might also go
4 to the towns as well. I'm not fully aware of
5 that body of law.

6 LEGISLATOR GAYLOR: If you find
7 out an answer to that could you let us know?

8 MR. MILES: Yes. Thank you.

9 LEGISLATOR GAYLOR: Because I
10 don't think there should be any impact to the
11 veterans at all for an error that we made or
12 somebody made in the form of fees or penalties
13 because of, as you call it, a computer error,
14 would you agree?

15 MR. MILES: We're doing
16 everything we can to make sure there is no
17 impact to them.

18 LEGISLATOR GAYLOR: I thank you
19 for your testimony. That's all I have.

20 LEGISLATOR FERRETTI: Thank you
21 Legislator Gaylor. Legislator Birnbaum.

22 LEGISLATOR BIRNBAUM: I'm just
23 looking forward now to the 2022-2023 roll and
24 I know the letters have started to go out to
25 all homeowners with their property taxes and

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2 their valuations. So, if there was a separate
3 letter from the county executive saying that
4 everything was being held flat, there were
5 going to be no changes to that roll; is that
6 correct?

7 MR. MILES: There's no tax
8 information on it but there is valuation
9 information. I believe you're correct that
10 there's something stating language about the
11 paused roll.

12 LEGISLATOR BIRNBAUM: Right. The
13 pause in the roll. So, would that translate
14 into being that whatever we determine is the
15 roll now and the valuations they are going to
16 stay flat for one more year?

17 MR. MILES: Yeah. The market
18 values are going to remain flat.

19 LEGISLATOR BIRNBAUM: Will that
20 greatly decrease the amount of challenges
21 given that most people have challenged this
22 year and if nothing changes between this year
23 and next year would you surmise that it would
24 greatly decrease?

25 MR. MILES: It may. I'm just not

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2 sure.

3 LEGISLATOR BIRNBAUM: Then in
4 terms of the five year phase-in, if people are
5 now getting the first of the five years 20
6 percent and there will be no changes it should
7 just be 20 percent more of what their change
8 was, is that how you interpret it?

9 MR. MILES: The '21-'22 is the
10 trended roll. So they'll see changes in the
11 upcoming roll. You're right, the following
12 roll after that the market values are paused.

13 LEGISLATOR BIRNBAUM: But if
14 people are now trying to figure out and plan
15 for the next five years is there a way they
16 can tell now what their taxes will be in five
17 years?

18 MR. MILES: Pretty difficult to
19 estimate at this point because we haven't even
20 received the '21-'22 budgets and '22 and '23
21 is after that. It would be tough to
22 estimate. More likely than not tax rates will
23 be going down because the assessed values are
24 going.

25 LEGISLATOR BIRNBAUM: What you

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2 were saying before was just because your
3 assessment changed that doesn't necessarily
4 mean your taxes are increasing?

5 MR. MILES: Yes, that's correct.

6 LEGISLATOR BIRNBAUM: So, people
7 who are seeing the five year phase-in and are
8 getting nervous that in five years their taxes
9 will be five times what they're paying now
10 that's not necessarily true?

11 MR. MILES: That is correct.

12 LEGISLATOR BIRNBAUM: I think
13 that is a very hard concept for people to
14 understand with the phase-in.

15 MR. MILES: I understand. It's a
16 very complex system. I think this is a common
17 problem throughout the state is the
18 explanation of assessment and market values as
19 compared to your levies and your level of
20 assessment. It's tough to understand. What
21 we always try to say here is it's a comparison
22 of your value to others in your districts.

23 LEGISLATOR BIRNBAUM: Right.

24 Thank you.

25 LEGISLATOR FERRETTI: Are there

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2 any other legislators that have any questions
3 at this time? Any online? I know there are
4 some on Zoom that haven't spoke.

5 Mr. Miles, just a follow-up. As we
6 were going around asking you questions, just
7 so you know, numerous legislators up here have
8 been receiving text messages from receivers of
9 taxes in Nassau County who are claiming as we
10 speak there are residents calling saying they
11 just got off the phone with the Department of
12 Assessment and they are directing them to the
13 receivers of taxes as it has been their error
14 in this.

15 You have acknowledged that that's
16 not the case. I would ask that you circulate
17 a memo or do some actually tangible step to
18 inform your staff of what we've discussed
19 today and ask that they please acknowledge to
20 the residents the truth, which is that this is
21 a Department of Assessment computer error, not
22 a receiver of taxes error and please stop
23 sending them to the receiver of taxes office.
24 Not just for the protection of the numerous
25 receiver of taxes but this is causing a load

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2 of frustration on residents who are being sent
3 all over the place. Can you do that? Can you
4 send a letter to your staff or memo?

5 MR. MILES: Yes. I will follow
6 up with the staff.

7 LEGISLATOR FERRETTI: We have
8 numerous public comments today. I was going
9 to read them into the record. For the sake of
10 time I'm not going to do that. But they will
11 be made available to anyone who does want a
12 copy.

13 I would finally just ask Mr. Miles,
14 I had asked a question earlier about the bill
15 which puts the phase-in exemption back on the
16 website. I asked who made the decision or who
17 gave the order to remove that initially from
18 the website. You indicated you didn't know.
19 I would ask if you could please try to find
20 out and let me know. I would like to know the
21 answer to that.

22 MR. MILES: Thank you.

23 LEGISLATOR FERRETTI: Thanks.
24 From the Veterans Committee I will put the
25 committee in recess.

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2 LEGISLATOR KOPEL: I will do the
3 same as well for Budget Review. I can't
4 really thank an empty room. But thank you
5 everybody who participated and anyone who is
6 listening on remote.

7 (Committees were recessed at 12:30
8 p.m.)

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CERTIFICATION

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I, FRANK GRAY, a Notary

9

Public in and for the State of New

10

York, do hereby certify:

11

THAT the foregoing is a true and

12

accurate transcript of my stenographic

13

notes.

14

IN WITNESS WHEREOF, I have

15

hereunto set my hand this 31st day of

16

January 2021

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FRANK GRAY

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