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NASSAU COUNTY LEGISLATURE

HEARING REGARDING AN UPDATE ON THE COUNTY REASSESSMENT

RICHARD NICOLELLO,
Presiding Officer

1550 Franklin Avenue
Mineola, New York

Wednesday, March 4, 2020
7:15 P.M.

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MICHAEL PULITZER,
Clerk of the Legislature

LIST OF SPEAKERS

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CHAIRMAN NICOLELLO: I would like to call this hearing of the Nassau County Legislature to order and ask Legislator Josh Lafazan to lead us in the Pledge of Allegiance.

(Whereupon, the Pledge of Allegiance was recited.)

CHAIRMAN NICOLELLO: Thank you again for joining us tonight for this hearing on the county's reassessment.

I do not have an opening statement, you'll be happy to hear. We will get right to the testimony and also right to the questions that the public may have after the Legislature has had an opportunity to delve further into the presentation

Mr. Moog, if you need to take a break at any time or if you do need to leave at any time just let us know.

MR. MOOG: Thank you for that consideration.

CHAIRMAN NICOLELLO: Do you have a presentation for us tonight?

MR. MOOG: Yes. I'm waiting for

my general counsel. He'll be running the computer.

Good evening. I am Nassau County Assessor David Moog. As you know, in January 2019, Nassau County completed the first county-wide property reassessment in nearly a decade.

This was a necessary step to fix the county's broken and corrupted assessment system which had one half of the taxpayers unfairly subsidizing the other half, costing the county and its taxpayers millions of dollars in annual debt payments.

After eight years of a paralyzed and broken system under the Mangano administration, we are now in our second year producing more accurate and up to date property values utilizing the most current real estate data and technology available.

Last week the foremost renowned appraisal expert in the country, Robert J. Glattermans, provided an analysis of our latest assessment roll published January 2nd, 2020.

This conclusion, Nassau County significantly improved property assessments and is now one of the most accurate, large assessing jurisdictions in New York State and one of the more accurate assessment rolls in the country.

We are confident in our work, no longer are half of the taxpayers unfairly overpaying to subsidize the other half of taxpayers.

However, while we continue to restore accuracy and integrity in the assessment system, County Executive Laura Curran is determined to protect taxpayers in the process and smooth out any changes in the taxes due to the reassessment with the Taxpayer Protection Plan.

The Taxpayer Protection Plan is a property tax exemption that will phase in increases in the property's market value due to the reassessment over five years.

County Executive Curran's Taxpayer Protection Plan will protect property owners from immediate and full

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increases in their October 2020 and January 2021 tax bills. Without passing the plan, half of Nassau's homeowners will see an immediate and full increase in taxes.

This is a fact.

Those property owners whose taxes will go down slower under the plan wouldn't be getting a tax decrease at all if not for the reassessment.

Their taxes will continue to go up while they will continue to overpay and subsidize property owners that grieve.

This is a fact.

This is the only option to protect our residents. There is no massive bailout coming from New York State that can fix this overnight and allow for property owners to get their full tax decreases immediately.

We don't expect Albany to pay for the decade of damage that the prior administration caused in Nassau's assessment system.

But County Executive Curran has

secured the authorization for a phase-in plan from the state almost a year ago. The final step is for the plan to be approved locally by the Nassau County Legislature.

Now that the County Executive and state legislators have delivered on the Nassau taxpayers, for the Nassau taxpayers, we ask that the Republican majority and Legislature deliver for our residents.

The property taxes in Nassau County are high. We hear it from our community as we travel around the county meeting with hundreds of homeowners for our assessment information sessions.

We ask that this legislative body to finally call for the vote and pass for this vital legislation and finally give taxpayers peace of mind.

I need to address the comment that they have plenty of time to get the Taxpayer Protection Plan into tax bills. Implementing the phase-in plan effectively and accurately for 380,000 individual parcels, as well as producing tax warrants

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on time is an enormous and complex process that will take months to complete and properly vet. Let me give you an overview.

By April 1st, we need to start writing thousands of lines of code for an antiquated 20 year old system called Adapt to adopt the new phase-in exemption.

The data on 380,000 properties need to be loaded into the system and the phase-in exemptions need to be calculated and applied to each property.

In addition, over 330,000 other exemptions need to be accurately applied to particular properties. These code changes need to be rigorously tested and vetted. We estimate that this process will take eight weeks bringing us to the end of May.

Each receiver of taxes have their own computer systems that are separate and apart from the county's Adapt system.

As much notice is needed as possible must be given to the receivers to ensure that they make any and all necessary adjustments to their programming to accommodate the new phase-in exemption.

By the beginning of June, we hope to start receiving the school tax levies for the county's 54 school districts incorporating these individual levies into tax warrants typically takes the county division another eight weeks.

That leaves just August to ensure that all exemptions and school taxes are accurately applied to each property.

In September the county then creates and vets taxes and finalizes the tax warrants. Employees take vacations, and we need to be very conscious of any emerging Corona virus outbreak.

Please do not delay approval any longer. We ask that you call this legislation to a vote on Monday.

It's absolutely critical that we have the time and resources to review every aspect of this complex process.

Commercial property owners already have a five year phase-in of the assessment increases. Nassau residential property owners would receive the same protection for 2020, 2021 increases with the passage of the Taxpayer Protection Plan.

This is how we protect property owners while we continue the substantial progress we made in restoring fairness and accuracy to a broken, unfair property assessment system.

I would like to now go into a brief power point that lays out how the Taxpayer Protection Plan works.

Last year the Department of Assessment completed a county-wide property reassessment producing updated market values for the first time in nearly a decade.

This was a major milestone in restoring fairness and equity to a broken and frozen assessment system that resulted in increasing property values and roughly half the owners paying more than their fair share in property taxes every year.

When homeowners pay town, school, and special district in county taxes, they deserve the assurance that the amounts

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they're paying are based on the fair and equitable assessment.

Confirmed by the multiple experts, our reassessment fixed the wide disparity among home values and inaccuracies and unfair shift in taxes.

Nassau's broken assessment system is caused by frozen property values.

How we would like to sell your houses for this, and this is an example of four properties, one in Jericho, one in Rockville Centre, one in Uniondale and one in Westbury.

As you can see, in 2018, the values were grossly undervalued from the actual sale prices that would be occurring in those neighborhoods.

So it's one of those examples where we could see the property values would never be $261,000 in Uniondale for a property that size, over $290,000 in Westbury.

It was unrealistic values placed on properties that resulted in frozen values

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over years.

The broken assessment system resulted in mass grievances, unfair shift in taxes. Property values were not being updated.

The Assessment Review Commission, the grievance office, used a different level of assessment than the Department of Assessment's frozen OLA.

The OLA is a uniformed fraction of your property's market value used to calculate your assessment.

The different levels guaranteed mass grievance settlements and decreases in home values.

The example we show here is a home valued for $486,000, in 2009 was continually settled at the Assessment Review Commission. And we all know that the recession hit in 2008-2009 and values were going down.

So you see 471 was probably a legitimate value and so was 392,800, but the market sort of flattened out and the market

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values kept being decreased by the Assessment Review Commission because the level of assessment being used by ARC also decreased by 2.4, 2.2, then 2.0 and then the value kept decreasing, 294, 259, then 246.18, 232.000 in 2017, 2018, and then finally in 2019, when the last year the frozen roll down was down to $205,200, and the Assessment Review Commission was using a .15 level of assessment while the Department of Assessment still used .25.

So this is the example of how there was the erosion of the tax roll every single year through the grievance process.

It's one of the reasons why we changed the level of assessment to .10 so we would have the exact same level that the Assessment Review Commission would apply, and the only way to accomplish that, taking the limitations of the Halpern stip signed by the previous administration, would be to lower it to .10 and thus bring the level of assessment to one-zero and bring the full market values back to a proper level and be

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able to have equity among the assessment roll.

How did this affect taxpayers? Think of the property tax obligation like a slice of pie. The assessed valuation of your property will be determined by the share of the tax obligation. An accurate reduction reduced assessments equals unfairly reduced taxes.

Your share of the property tax pie will increase when other properties receive assessment reductions from the Assessment Review Commission or small claims assessment review court, your neighbor's property reduced in value or other properties in your district become eligible for tax property exemptions.

So, as the values decreased through the assessment review commission process, it was shifting the burden to those people who didn't grieve or were valued and decided to keep proper value from the .25 that was being used by the Department of Assessment.

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Fixing the assessment system while providing property tax relief for homeowners. What we have done, we've completed the first reassessment in almost a decade, restoring fairness and equity to the assessment roll, with updated home values based on the latest real estate data.

The lowered taxes for the overassessed property owners while preserving everyone's right to grieve their property assessment, we developed the property, the Taxpayer Protection Plan, TPP, to ease the tax burden resulting from the necessary reassessment.

Taxpayer Protection Plan's purpose is to phase-in and smooth out changes in property taxes as a result of reassessment.

The homeowner is expected to receive an increase in taxes, a TPP phase-in plan will protect them from the immediate and full increase.

How will it work? The TPP provides a fixed property tax exemption on your assessed property value. The plan would phase in any increase in your property value due to the reassessment with a 20 percent increase in the value being added each year for five years.

The exemption is not recalculated in subsequent years, unlike other exemptions, TPP is all encompassing. It will apply across the board to all line items, school, county, and town tax calculations. This will effectively spread out any changes, increases and decreases in taxes due to the reassessment.

How will the Taxpayer Protection Plan exemption plan be calculated. This is the example on this chart.

The property value under the broken system was $400,000. The updated property value of reassessment was $500,000. Identify the difference between the old assessment and the updated assessment; 500,000 minus 400,000 equals 100,000. Divide the difference in value by five, five year phase-in, 500,000 divided by five is

20,000. 20,000 will be added to your old property value of 420 each year for five years.

Note the exemption of the amendment subtracted from the market value. The amount of your TPP exemption will not change regardless of increases or decreases in your market value.

Why is approving County Executive Curran's Taxpayer Protection Plan critical for taxpayers?

We must protect residents and local housing market while we fix the assessment system. We don't want to drive future home buyers away from Nassau County.

Curran's Taxpayer Protection Plan will protect homeowners expecting increases in taxes and from the immediate and full increase.

This chart shows by legislative district the percentage of properties in each district expecting to increase in taxes with TPP and what the median increase with TPP and without TPP is. You can see the

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range runs from about -- from 1,200 and reduces down to 356, and a high would be 2,200 down to 641 -- or actually 2,500 to 732.

So it provides a substantial amount of immediate relief for homeowners during this phase in period.

As a result of the necessary reassessment, approximately half the homeowners will see a decrease in taxes and half will see an increase.

The chart shows increase in property taxes with and without the Curran protection taxpayer plan. This chart shows an estimated increase in taxes for '20-'21 tax year, the first year of the phase-in.

When will County Executive's Taxpayer Protection Plan take effect?

Although the phase-in plan has been authorized by New York State, it must be passed by Nassau County Legislature and implemented.

If approved, the County Legislature, the TPP will be effective for

2020, 2021 school and general tax bills.

Homeowners will see the effect of TPP in their school tax bill in October 2020 and the general tax bill in January 2021.

Residents are strongly encouraged to review the updated Taxpayer Protection Plan statements available for every homeowner on myNassauproperty.com.

Question, why are these new taxpayer protection plans being changed from the prior statements? The answer is, statements have been updated but delays and most accurate information possible included the latest school district tax levies for 2019-20, tax year which account for the large majority of the property tax bill, the latest county, town, special district tax levies, and the successful grievances are eligible for tax exemption and ever changing variables.

Note, the county has not increased taxes and does not get an extra dime due to the reassessment.

With that, I open to any

questions from any legislators.

CHAIRMAN NICOLELLO: What we will do now is have a round of questions for you, Mr. Moog, obviously all legislators will have an opportunity to ask any questions that they think pertinent and engage in a dialogue and we will let all of our residents know that, if after that round takes place, you want to speak, there are slips up here at the front. We would ask you to please fill out a slip for public comment and then we will call you after the legislators have had an opportunity to speak with Mr. Moog for a while.

Mr. Moog, we received something in the mail this week from the County Executive, a letter as well as a Taxpayer Protection Plan data report as of March 2nd, 2020. Are you familiar with that?

MR. MOOG: Yes, I'm familiar with that. Yes.

CHAIRMAN NICOLELLO: It provides on page four with changes that are expected in terms of percentages of residents who

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will be see increases, those who will see decreases both with and without the phase-in.

First of all, what is this information based on? Is it based on information available in the past or was it these particular estimates that were based on new information?

MR. MOOG: It's based on the new levies because we updated the levies that would be used in the calculations.

It also incorporates any changes to the assessment roll that was made from the last statement.

So with the new tax levies that were passed and implemented and the warrants for school taxes in October of 2019, and the general levies in January of 2020, it also incorporates any changes implemented by ARC during that period of time.

So it's a new snapshot using new budgets and new levies and also as any changes that were made to the assessment roll from actions made by the Assessment

Review Commission.

CHAIRMAN NICOLELLO: Can you tell me how this differs in terms of the results, as a result of the -- how the results differ from the previous estimates made as to the percentages of residents who are going up as opposed to those going down, as opposed to no changes under the phase-in?

MR. MOOG: I believe it shows that under the phase-in that more people would be receiving an increase than a decrease, if I remember correctly, from the other statement, it was sort of slightly reverse. So there were changes from both the levies and from changes in the tax roll during that period.

The tax roll and the levies are an ever changing situation, it won't be in until you do the final roll which gets signed off on April 1st and then actually finalized after any sort of SCAR reductions occur during May, June and July.

Then when the levies are changed with the school districts that will be voted on in May, that would end up in the final adjustments that will be made in the overall taxes that would be owed.

CHAIRMAN NICOLELLO: So you said the reverse was true before, what does that mean? What were the numbers before?

MR. MOOG: I don't have them on me right now. Wasn't is it 5248?

MR. MILES: Robert Miles, Deputy Assessor. I believe it was closer to 45, 55.

CHAIRMAN NICOLELLO: 45 going down, 55 going up?

MR. MILES: Vice versa.

CHAIRMAN NICOLELLO: So the earlier estimate was that approximately 45 percent of the residents would see increases and 55 percent would see decreases?

MR. MILES: Yes, this was prior to the update from ARC and SCAR and the changes in the exemptions.

CHAIRMAN NICOLELLO: I understand you now have the most current information and this would be a more accurate estimate?

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MR. MILES: Correct.

CHAIRMAN NICOLELLO: That's a pretty wide variance, correct?

MR. MOOG: Yes, but it's now more accurate going into the future because now we're using a more updated number.

CHAIRMAN NICOLELLO: I think we understand that.

But why would there be such a great variance? Talking about 8 percentage points. An increase in those going up by eight percentage points and looks like a ten percent decrease in those going down.

MR. MOOG: Well, also, you remember most of the changes in the fund reassessment occur within a very narrow range. Also a lot of the properties it's like bell curve, so you get a large number of properties that come within that middle of the bell curve, so they might be receiving 100, 200, $300 increase or decrease. So any little shift might shift a lot of properties from one to the other when you get to that middle bell curve.

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So it can be shifting quite a bit on, it might be shifted 3 or $400 might shift thousands of properties from one property to another.

Some properties it's not changing the taxes that much from the reassessments.

MR. MILES: I think also something to be considered is that 169,000 reductions were granted at ARC and then an additional 5,500 cases I believe that went to SCAR received reductions.

CHAIRMAN NICOLELLO: We had had a breakdown based on the prior information.

We received a breakdown from the Office of Legislative Budget Review which detailed the tax impacts of the proposed phase in by value, by dollar value, by school districts.

I was going to ask Maurice if you would prepare, based on the new information, an updated table indicating again the impacts on the dollar basis by school district.

MR. MOOG: We will gladly provide

the information for Mr. Chalmers on that.

CHAIRMAN NICOLELLO: All right. That question was for Mr. Maurice Chalmers. He was the person in mind. But you can provide that information, correct?

MR. CHALMERS: Definitely.

CHAIRMAN NICOLELLO: Couple more questions. Then I will let the legislators follow up.

But in your opening statement you indicated that the new values were based on the most recently real estate data.

What does that mean? Where was that coming from?

MR. MOOG: For the 2021-2022 roll you mean?

CHAIRMAN NICOLELLO: Yes.

MR. MOOG: Yes. That came from -- the office decided to take a look at the sales for one full year and apply that sales increase, sales ratios for all the school districts. From the school districts we provided -- got trends that we refined those trends to each of the school districts.

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In addition to that, we decided to load in all the ARC reductions that occurred as of December 15th and trend up from that value.

We removed from that sample also any properties that had physical changes, any new construction, things of that nature, and also decided to take a look at the high value properties and look at the high value properties as a hand work or looked at them individually using comparable income expenses.

So we used on this time what they call trended assessment roll which is covered in the publication 1029 from Office of Real Property Tax Services as normal non appraisal reassessment which is very common after you do a full reassessment, it comes on a year or two of trended roll after that.

CHAIRMAN NICOLELLO: You also said you were using the most current technology available. What does that refer to?

MR. MOOG: Well, when we decide

to do the sales ratio study, we had technology that we were able to sort and view and parse out the sales to make sure we get a proper sales sample from each of those sets and also to create those sales ratios.

So from that we also, when we were using some of the high value, we used Prognose to help assist us in pointing to the values on the high value properties before we used a comparable sales model on that.

So we were using a combination of both model to point to value, point to value that would assist us in the comparables for those properties.

On the rest of it we were just using basically the sales ratio and the trending on that point in order to bring forward the school district values by school district.

CHAIRMAN NICOLELLO: That was for the tentative assessed value issued on January 2nd, 2019?

MR. MOOG: No. That was the one

for '21-'22. That was the one that was just completed on January 2nd of this year.

CHAIRMAN NICOLELLO: So the Department of Assessment has been using Prognose to develop those values?

MR. MOOG: Not on this one. We only used it on the high end values on that particular roll.

CHAIRMAN NICOLELLO: So other than the high end values, the Department of Assessment did not use Prognose for '21-'22, correct?

MR. MOOG: Not on the development of most of the roll we did not use it. We will be using Prognose for the coming year for the SCAR assessment review season, we will be using Prognose in defense of the tax roll.

CHAIRMAN NICOLELLO: To develop the comparables, the Prognose was not used?

MR. MOOG: Only on the very high end values which would help us develop the comparables, point to it, and help us develop the comparables on the high end.

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CHAIRMAN NICOLELLO: So if a resident goes on the website and looks at their tentative assessed value for '21-'22, they can not see the comparables that were used, correct?

MR. MOOG: No. We did not post the comparables because the vast majority of properties were just trended from the prior year.

CHAIRMAN NICOLELLO: So you are going to use Prognose for the SCAR hearings, correct?

MR. MOOG: That is correct. We would be unable to handle the SCAR season this year without Prognose. With Prognose we could handle up to probably 100,000 cases if need be using the Prognose system. We would not be able to do that without Prognose.

CHAIRMAN NICOLELLO: So how is it fair for a resident who wants to know how their assessed value was determined if Prognose was not used to develop the number and they can't see what the comparables were on the website but when they challenged their assessment, and eventually goes to a SCAR hearing, the county is then using Prognose to develop comparables.

How is that fair to a resident?

MR. MOOG: When the resident goes to SCAR, they've already gone and exhausted their administrative remedies at the Assessment Review Commission which they provided comparables for that case.

The Arrow System has the comparables for any homeowner to provide the comparables and make their adjustments.

The Prognose system for our purposes gives us the comparables and the adjustments we use for the judicial review process in SCAR.

So it's that we have our defenses when we are adjudicating a property just like a lawyer would have fair own defenses and the homeowner still has access to the full set of comparable sales that were provided through the arrow system which it probably used in the Assessment Review

Commission or that their representative used.

CHAIRMAN NICOLELLO: The comparables that are being used by the county in terms before you get to the SCAR proceeding?

MR. MOOG: Pardon me?

CHAIRMAN NICOLELLO: The comparables for the county, are they being provided to the residents who are challenging their assessments?

MR. MOOG: Well, in the '20-'21 year, we did provide on the original assessment roll the five or so comparables that we used and the latter at that time.

So we had all that information and that information is still on the system. It's in the archive record viewer.

So they still have access to the original analysis that we did with it and the comparables like I said were available to them when they filed their ARC as well as the original five or six comparables that would have applied at that time during the

511 period and during the tentative period.

CHAIRMAN NICOLELLO: When the residents challenges their assessment and the county gives them an offer, is the county providing to the residents the comparables being used to develop the offer?

MR. MOOG: No. From the Assessment Review Commission?

CHAIRMAN NICOLELLO: Yes.

MR. MOOG: The Assessment Review Commission, you would have to ask them, but I believe they do not provide those when they make the offer.

CHAIRMAN NICOLELLO: Well, why wouldn't they provide the residents the comparables if the residents -- so the residents will be able to determine if the offer of settlement is fair?

MR. MOOG: That you would have to ask the Assessment Review Commission. That's the policy there.

CHAIRMAN NICOLELLO: We can follow-up with them.

Just one other point. Page three

of your presentation you indicate that the broken assessment system has resulted in mass grievances.

Now, after the reassessment and after the 2019 tentative roll was posted and for the '20-'21 tax year, can you tell what happened with the number of grievances being made?

MR. MOOG: For the '20-'21 roll?

CHAIRMAN NICOLELLO: Yes.

MR. MOOG: The number of grievances increased up to about 240,000 grievances were filed.

CHAIRMAN NICOLELLO: So is that an indication that the 2019 tentative roll was based on a broken assessment system?

MR. MOOG: The '20-'21 roll may have had more grievances filed but the end result, only 85,000 cases in ARC were given offers for reduction to resolve cases.

The prior year I think 165 to 170,000 grievances were filed where I think over 95 percent of those cases were given offers for resolution.

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So the number of properties being offered settlements from ARC actually were cut in half from the 2019 to the 2020 assessment roll.

In light of that, we did, December 15th, we did take into account the ARC reductions in doing the '21-'22 assessment roll, where we rolled in approximately 45,000 reductions because we figured that any sort of correction or any sort of error that was made by our department we shouldn't have people continuously grieve and we would roll those reductions in before we provide the trend on top of that.

In the end from the results we see from our expert, we did come up with a more accurate tax roll overall for '21-'22 because of using that policy.

CHAIRMAN NICOLELLO: So the statement here though is that the broken assessment system has resulted in mass grievances. The broken assessment roll 2019 resulted in mass grievances, meaning 240,000

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grievances.

MR. MOOG: It resulted in more grievances but those grievances weren't as egregious because only 85,000 received any sort of reduction. Where a prior year you had over 160, 170,000 grievances and 95 percent of them received reductions.

MR. MILES: I think the point being made is that an independent commission reviewed the grievances and I don't think the amount of grievances varied that differently from the previous year. I still think it was close to 200,000 if not more.

At the end of the day 169,000 properties were provided reductions, offered reductions at the Assessment Review Commission, and, here, vastly different, half was provided that in 85,000.

MR. MOOG: No. Actually 85 out of 240.

MR. MILES: I'm saying half.

MR. MOOG: Half the number of reductions, but a lot of the grievances -- in Nassau County it has been a habit that you always file a grievance no matter what, you feel you have to preserve your right.

It's a very aggressive grievance industry and very aggressive that people file grievances.

So it's not surprising after a reassessment most people want to feel like they need to preserve their right and file grievances, but the end result was a lot less reductions, a lot fewer reductions granted from those grievances.

CHAIRMAN NICOLELLO: I think you're rushing that when you use the term end result. There may have been fewer offers to settle at this point, but there remain tens of thousands, over hundreds of thousands of challenges that still have to be adjudicated.

So you don't know as we sit here today what the result of those challenges will be?

MR. MILES: What cases are being adjudicated? I believe the final offers are coming out this week, if not they already did.

MR. MOOG: SCAR.

MR. MILES: We were speculating. I don't know about the tens of thousands are, we don't know what the numbers are.

CHAIRMAN NICOLELLO: You won't know until the results of SCAR whether or not those mass grievances were successful and to what extent.

MR. MOOG: We won't know until the end.

CHAIRMAN NICOLELLO: To make the point that we are improved because fewer cases are settled at this point is not an accurate statement to make.

You can't make a judgement until we finally determine what all the rest of those cases that go to SCAR are resolved, correct?

MR. MOOG: We do believe that we will have a much larger degree of success at SCAR this year, because the assessment roll itself, from outside experts, been reviewed as a much more accurate assessment roll.

CHAIRMAN NICOLELLO: That's all I have for now. Anyone else have any questions? Legislator Ferretti.

LEGISLATOR FERRETTI: Good evening gentleman.

I have a couple of different topics I want to touch on. You first spoke about, you first mentioned Prognose, and I guess one question just hearing the dialogue between the Presiding Officer and you, Mr. Moog, is why aren't we using for the '21-'22 roll, not the high end properties?

MR. MOOG: We looked at the accuracy of the prior assessment roll and we decided to -- which is a very common practice and used what they call a trended roll, which is covered under publication 1029 of the Office of Real Property Tax Services.

From that we decided that the major driver of value in the county is that people in school districts, where people want to live, basically decide how much they pay by school district.

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Since we had a sufficient number of sales for the past year, to look at the sales ratios per school district, and we looked at how tight the ranges were, we decided to implement on the trend.

From that, like I said, we incorporated the ARC reductions into that and also removed from that any ones with fiscal changes.

We made those assumptions and those judgements based on the guidance of 1029 and of the office of Real Property Tax Services and, from that, we came up with an accurate tax roll by the coefficient dispersion of only 6.5 is much more accurate than the prior year.

So we do plan to use Prognose into the future and we may use it this year or the next year we are probably using it in a former function as doing a model and having that model point to the outliers and try to do any corrective action based on those models.

It's not as if we don't use

Prognose or we will be using it very very extensively in the SCAR season, we would not be able to handle any sort of large number of SCARS and probably handle up to 100,000 using Prognose.

So it's still an extremely valuable tool but we made the judgement call, and actually seemed to be the correct judgement call that we came up with a much more accurate tax assessment roll using the trended roll from the methods that are applied.

MR. MILES: And we continue to use Prognose to train our modelers or incoming modelers of new class to increase the accuracy of the roll. We use our assigned training money from the Prognose contract to continue to improve the office, improve the modeling, and continue to fine tune the assessment roll.

On top of what Mr. Moog said, it is going to be vital to use SCAR to defend the accurate assessments that are going to be challenged at the small claims assessment review proceedings.

LEGISLATOR FERRETTI: You both brought up SCAR a couple of times and how the county is going to use it at SCAR.

What we're doing here is we sold the residents, or you sold this Legislature on Prognose being used for transparency and to assist residents.

Residents laid out the money for this program and it sounds like what we are doing is using this expertise against them at SCAR.

But not giving them the transparency that was promised to them by using it and giving that information during the grievance period.

Mr. Moog, I did look back at the testimony you gave on two occasions when we were before we Prognose, before the Rules Committee, you remember testifying, correct?

MR. MOOG: Yes, I do.

LEGISLATOR FERRETTI: And in those two appearances, on 36 occasions, you argued that Prognose should be purchased for

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transparency for residents. 36 times you mentioned the word transparency to residents and the necessity for that, for Prognose.

So I don't understand why we are not giving that transparency to the residents and using that information.

What's doubly troubling to me and you brought this up in your initial presentation, that the Prognose information from the '20-'21 year is still up.

That's only leading to confusion for taxpayers and for residents. That's outdated information that's still up there.

MR. MOOG: If we're using the trended assessment roll, a trended '20-'21 assessment roll, that was the basis of the value for the '21-'22 plus the percentage resulting from the annual growth of value within those school districts. That's why we left that value up in the archive part of the land record viewer.

As for what we use in judicial review, as you know in legal circles, we have our defenses when people take a judicial appeal against us and we use Prognose not as a modeling tool, but we use it to develop the comparables that we will use to justify the values for '21-'22.

As either the representatives or pro ses go forward in court, they had their comparables set forward in ARC which they could have drawn from our system when it came up with '21-'22 as well as all the comparables provided in Arrow.

So I don't see that we followed the guidelines set forth by many assessing jurisdictions. As a matter of fact, the vast majority of assessing jurisdictions reassess and then they tend to trend for a number of years before they're reassessed again.

LEGISLATOR FERRETTI: Don't comparables change based on home sales?

MR. MOOG: What was that?

LEGISLATOR FERRETTI: Don't comparables change based on home sales,

MR. MOOG: Comparables change based on home sales but the comparables used for '20-'21 would be the ones that occurred for that year. You don't use updated sales for the defense, you would be using sales from the period of time that those assessments were generated.

So it would still the same pool of sales being generated to defend on '20-'21.

We wouldn't be using newer sales to justify the values or assessments that were generated back in 2019.

LEGISLATOR FERRETTI: Did you use comparables to determine the '21-'22 tentative assessment?

MR. MOOG: For '21-'22?

LEGISLATOR FERRETTI: Yes.

MR. MOOG: We used the trend.

LEGISLATOR FERRETTI: Did you use comparables?

MR. MOOG: We used sales to develop -- we used sales to develop the trend for each school district. We didn't use comparables, we used the trend.

LEGISLATOR FERRETTI: So the

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answer is no?

MR. MOOG: No.

LEGISLATOR FERRETTI: Who made the determination to use school district trends rather than comparables as was done in '20-'21?

MR. MOOG: That was my decision.

LEGISLATOR FERRETTI: Was used to calculate those individual percentages allocated to each school district?

MR. MOOG: Used all the sales within that school district.

LEGISLATOR FERRETTI: So when we look at the chart that you have in your presentation, let me pull it up. So is it your testimony today that when looking at sales in the Manhasset School District that the average increase was .14 percent?

MR. MOOG: If that's what the chart says that's what the trend was.

LEGISLATOR FERRETTI: But in the Roosevelt School District the average trend was 6.19 percent increase?

MR. MOOG: That is correct.

LEGISLATOR FERRETTI: Where, if any where, on the assessment website are those percentage increases by school district?

MR. MOOG: We didn't post that on the website.

LEGISLATOR FERRETTI: So how would residents have any idea whatsoever, they don't have the comparables, they don't have this percentage that you determined you were going to use, how would they have any idea how they're '21-'22 tentative assessment was determined?

MR. MOOG: You mean how much they went up by a percentage?

LEGISLATOR FERRETTI: Yes.

MR. MOOG: They would take the prior year and compare to the current year and see the percentage.

LEGISLATOR FERRETTI: So they have to do the math?

MR. MOOG: Yes. You just take the current year, minus the prior year, and take the difference and divide it by the prior year and you get the percentage.

It would be if a property went up five percent, you would take the prior year and add five percent. If you do it reverse, you take the current year and figure out the difference and divide it by the prior year.

LEGISLATOR FERRETTI: Hold on a second. What if that property had a reduction as a result of grieving?

MR. MOOG: We incorporated that reduction and trended up from that reduction.

LEGISLATOR FERRETTI: How would they be able to back their way into the school district percentage if they received a reduction?

MR. MOOG: You would just take the reduced value and then you would trend up from that percentage.

We had a property owner come to one of the outreaches pointing that out and I showed it to them and it was very very clear to them how they did it and they were very very pleased with the result.

LEGISLATOR FERRETTI: I'm sure. Is there a reason that you haven't published the school district percentages?

MR. MOOG: If you want us to post it, we will post it.

LEGISLATOR FERRETTI: When? The grievance period is almost over.

MR. MOOG: Well, it doesn't come into the grievance. Grievances you would still grieve by comparable values. You wouldn't grieve by percentage.

MR. MILES: You grieve on your assessment.

MR. MOOG: Grieve on your assessment, not what the average person goes up on.

LEGISLATOR FERRETTI: Remember, transparency 36 times when you testified. We want people to understand how the number that was given to them was achieved, how we recognized it. People don't know.

I guarantee no one in this auditorium knew before they got here that this percentage was used throughout their entire school district.

MR. MILES: But regardless they still have to challenge the assessment based on their own individual circumstances and, as you mentioned, legislator, with some circumstances, they received the rolled in Assessment Review Commission reduction. So each individual homeowner has a different situation.

So I understand regarding posting the trend, but it's up to the individual homeowner to decide based on their situation whether they believe that the assessment needs to be challenged or not.

We don't begrudge the homeowner for making the challenge because that's their administrative right.

LEGISLATOR FERRETTI: Now, by each individual school district, that percentage is applied to each residential property?

MR. MOOG: It's applied to the property unless it received an ARC reduction and the ARC reduction was rolled in and that

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percentage was increased.

The only exception was that properties that received a physical change to the property then we just individually valued it.

LEGISLATOR FERRETTI: Hold on a second. You said that it applies unless it receives an ARC reduction. Only if that ARC reduction was recognized before December 15, 2019, correct?

MR. MOOG: Only if it was offered before December 15th, yes.

LEGISLATOR FERRETTI: What if it was offered after December 15th, 2019?

MR. MOOG: I have a legal obligation to publish the tax roll by January 2nd, so I had to have a certain cut off point in order to calculate the assessment roll.

So I used the latest that I could use for the January 2nd which was the December 15th download from the Assessment Review Commission which is approximately 45 thousand properties that receive reductions.

LEGISLATOR FERRETTI: That's nice but you didn't answer the question. What if the reduction was received after December 15, 2019?

MR. MILES: We are not legally allowed to change the assessment roll and change value.

LEGISLATOR FERRETTI: I'm just asking. What's the answer?

MR. MOOG: The answer is no. If it's after December 15th we do not roll it in because we wouldn't be able to because it wouldn't be legal for us to roll it in afterwards.

LEGISLATOR FERRETTI: So is it fair to say that unless they grieve then they will be over assessed in '21-'22?

MR. MOOG: No. Only if they grieved and received a reduction. You mean the ones that received it after January 2nd?

LEGISLATOR FERRETTI: Yes.

MR. MOOG: It would depend on the percentage. A lot of the reductions, some of them were very small and very minor reductions. It would still have to be reviewed on an individual basis and we would have to see.

Some would have to regrieve on that, some would not.

That's the purpose why we tried to roll the grievances in and take the latest possible ones that we had.

LEGISLATOR FERRETTI: I think the answer was, I think what you're saying is, if you received a reduction after December 15, 2019 for the '20-'21 tax roll, then you would need to grieve now to recognize that reduction in '21-'22; is that a fair statement?

MR. MOOG: It would still be on a case by case basis.

Let's say you received a reduction of two percent or three percent, you would still have to judge from the comparables, you would still probably best preserve your right and grieve to see if you would get a reduction. It would also be on a case-by-case basis.

LEGISLATOR FERRETTI: Now this percentage that's allocated to each individual school district, let's take Roosevelt for example. If you have a property on a main road in Roosevelt, do you get the same increase as if you have a property in the middle of a residential side road, perfect location?

Is there any factors taken into account that would change this percent increase? Or is it across the board for every property?

MR. MOOG: It's across the board for the entire school district, yes.

LEGISLATOR FERRETTI: In '20-'21, the first year of the reassessment, were these school district factors used?

MR. MOOG: It was one of the factors that was used as influencer. Many factors incorporated within the model, so it was a much more nuance valuation process.

As we said before, the accuracy of the '20-'21 roll which was judged by an independent expert, viewed that as a very accurate tax roll. It came in at 8.9 percent COD which is statistically used to value the accuracy of the assessment roll.

From the methods that we used this current year for '21-'22, that COD dropped to 6.5.

So, even though there may be small variances in the school district, we felt the methods that we applied were very successful in creating a more accurate tax roll.

I'm not saying that we would be using a trend this year, we might be using a trend this year, not when you take judgement into the year as it goes forward. Of course, you know the real estate is very variable. If we go into recession, we might use other means to get the assessment roll. We're always trying to get the most accurate roll by whatever means possible.

LEGISLATOR FERRETTI: So in '20-'21 we used neighborhood factor, correct?

MR. MOOG: We used many factors.

We used neighborhood factor, we used sub neighborhood. We used different influence factors within the model.

LEGISLATOR FERRETTI: How many different neighborhood factors were there throughout Nassau County with a different factor?

MR. MOOG: I think they used over 300.

LEGISLATOR FERRETTI: And how many school districts are there in Nassau County?

MR. MOOG: 56.

LEGISLATOR FERRETTI: So we have 347 I believe different neighborhoods and now we're going down to 56?

MR. MOOG: Because one was using a model and when you use a model you use many different variables. When you use a trend, you have to use enough properties within a geographic area to create a proper trend.

If you don't have enough sales within a geographic area, the trend you're creating may be inaccurate because you have two many outliers.

You really need about 25 to 50 sales at least. So if you go to too small of an area where you only have one or two outliers, that may throw the trend off tremendously.

So you have to use the geographic area large enough to create the large enough pool sales to have a sales analysis that would be valid.

So school districts which we believe is the driver creates enough sales within any school district in order to create a proper trend and that's what was applied.

It's not too different than the overall Nassau County value by an article in Newsday showed the values went up 2.9 percent. Our values overall went up about 2.5 percent.

So it's not too far off from the analysis done by Newsday which is looking in major real estate publications and as you know, the values, even though they did go up throughout Nassau County, some areas did sort of flat line and other ones went up more.

Some of the areas that didn't go up quite as much or very very little, we think were adversely affected by the reduction in the SALT deduction, the state and local tax deduction by the federal government.

And other property areas did go up, did have more appreciation and we believe that was from the lower mortgage rate.

When you have mortgage rates drop so low it usually helps lower and middle income areas because it enables people to actually afford homes and get into mortgages because the mortgage rates were so low.

So there's two factors driving through the real estate market in Nassau County, the low mortgage rates and the elimination of the SALT deduction.

If you look at the trends, not

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always, but sort of bared out to that with the high end areas were more adversely affected by elimination of SALT deductions where the working class or lower income or working class areas were benefitting more by the low mortgage rates. That's generally how the trends work through and, like I said, we used the an accepted publication and it did create a more accurate tax roll.

MR. MILES: And the statistics came back with a historically amazing assessment roll and the best we've seen in decades based on this logic.

MR. MOOG: Now, again, because of this fairly flat market, this methodology worked quite well.

We will be looking in the future to see if we will be using Prognose, using modeling, or using a hybrid approach to it.

LEGISLATOR FERRETTI: The modeling, the model approach that we did in 2021, is that a multiplicative assessment?

MR. MOOG: That's a multiplicative regression model.

LEGISLATOR FERRETTI: That's what we used for '20-'21?

MR. MILES: That's what we used for '20-'21.

MR. MOOG: I said that was the basis. I said we used the trend.

LEGISLATOR FERRETTI: So we used the '20-'21 assessments based on that multiplicative model and carried it forward to '21-'22?

MR. MOOG: With the adjustment of the ARC reductions that were effective December 15th.

LEGISLATOR FERRETTI: So essentially the assessment we did in '20-'21 is frozen; is that correct?

MR. MOOG: No, it's not frozen because the roll values changed. A frozen roll means you don't change any values.

LEGISLATOR FERRETTI: Okay. But the basis for the reassessment in '20-'21, the multiplicative model, that took all these factors into consideration is carried forward to '21-'22; is that correct?

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MR. MOOG: With adjustments for physical changes and rolling in the Assessment Review Commission changes, and the high end was done.

LEGISLATOR FERRETTI: Hold on. You said adjustment for physical changes, that's always been the case, right, under Mangano that was the case, right?

MR. MOOG: That is true. I'm saying those properties were removed from the trending.

LEGISLATOR FERRETTI: So we took the '20-'21 multiplicative model, you testified was the best model, right?

MR. MOOG: Especially after ten years of frozen roll was an excellent model, correct.

LEGISLATOR FERRETTI: So we had that this Prognose system where it was completely transparent, you said it 36 times in the hearing, multiplicative model was the best model and we did it in '20-'21.

MR. MOOG: Yes.

LEGISLATOR FERRETTI: We didn't

use Prognose for '21-'22 at least for the most part. We didn't provide that level of transparency to residents, and we didn't use the multiplicative model. We carried forward the results of '20-'21 to '21-'22, correct?

MR. MOOG: On a trend, yes. Which is a common practice throughout the country on a lot of assessment rolls, by the way.

In New York State probably 90 percent of the assessment rolls are trended.

LEGISLATOR FERRETTI: I do have some more questions. I'm going to let some other people ask questions if that's all right, Presiding Officer?

CHAIRMAN NICOLELLO: Sure. Anyone else? Legislator Walker and then Legislator Drucker.

LEGISLATOR WALKER: So we used modeling first and now we're into the trending.

MR. MOOG: Correct.

LEGISLATOR WALKER: So now my

school district which is Hicksville and Plainview which we have the highest, gone up the highest as part of the school district number that was given.

So now that was based on current sales?

MR. MOOG: The sales from September 18th through September 19th.

LEGISLATOR WALKER: So in the Hicksville community, I'm sure very similar to Plainview, we have houses that are now like mega mansions, okay, but the majority of houses are very capes or Levitt homes, both capes and Levitts that have dormers put on, nothing extravagant, they still look very similar to the old fashioned Levitt home. They don't have basements. The capes have their little basements, but they're small little homes, whatever.

So, now, that number in those communities has gone up to 57, right? Which would mean higher taxes in those spread out across all the homes in the community?

MR. MOOG: Higher values.

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LEGISLATOR WALKER: Because of those homes that sold for larger amounts of money. It doesn't matter if you have a small little home next to the mall, by the railroad, next to the sump, where ever else you have it, they're all lumped in together, because now we're doing the trending.

MR. MOOG: Right. It takes into account maybe 50, 60, 70 sales depending on how large the school district was, so it takes into account the sales of large houses, small houses, medium houses, houses that were deferred maintenance houses that were completed renovated, highs and lows were all brought together in one big basis of sales.

LEGISLATOR WALKER: So those who are still in those much smaller pretty much originals obviously their taxes are going up?

MR. MOOG: The assessed value, or the market value went up the same amount throughout the district. So, let's say in the district every single property receives a five percent increase in assessed valuation and the budgets don't change, then the taxes wouldn't change. It's distributed evenly among all the properties based on their weighted percentages.

LEGISLATOR WALKER: So why should those properties that did not change, why should any of them that did not change, didn't have anything done, because they live in a school district where some of those houses became tremendously large and are now assessed at a much higher level or sold for a much larger amount of money, why should everybody else be penalized?

MR. MOOG: Values normally appreciate every year, and across the county, and has done for the past 40 or 50 years.

So if you look at 40 years of Nassau County's history, the average appreciation of property values is about two and a quarter, two and half percent every single year across the county.

People buy property over time

because they expect appreciation of the property value.

So even though property may be a small un-renovated property, that property is still going up in value.

From the model values we did in '20-'21, it took into account all the aspects and attributes of the property.

But over the past year property values do increase and the percentages that we provided in the increase were based on a wide variety of sales within each school district.

So every valid sale in a school district, small property, large property, older property, other properties that may have been sold by a senior citizen and moved to Florida, other properties sold from people moving to another job or to a bigger property were all incorporated. So you have high sales and low sales that all weight out. In the end --

LEGISLATOR WALKER: I get that. But bottom line is when you look at that tax bill and that house which is a much larger house, their taxes haven't gone up compared to what yours are going up and you didn't do anything. You have the original little house or small little house.

Those who are in those particular areas where those numbers increased a lot are being hurt.

MR. MOOG: If you have a small house going up five percent and a large house goes up by five percent, and every property went up five percent, the tax burden is still spread the same across the board for all the properties.

So, in effect, if the budgets don't change, those people's taxes won't change. It's the same percentage across the board.

LEGISLATOR WALKER: If that's the case, why don't we throw out this whole system and just say, this is what everybody pays, doesn't matter if you're big, little, where you live? We should all have the exact same.

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MR. MILES: But all their values are already different from '20-'21 roll.

MR. MOOG: So if you have a property that's worth $800,000, it went up five percent, that property is worth 840. If you have a property that was $500,000 went up five percent, it's 525.

But if every property in the entire district goes up by the same percentage, taking into account the ARC reductions and any physical changes, it stays the same.

But, in the end, we also take all the values and judge them against how accurate the tax assessment roll is, and the uniformity to sales was actually very tight, that's where the co-efficient dispersion demonstrates.

So it's a six and a half percent dispersion. It's a very, very close dispersion for what properties sell for. It's a highly accurate tax roll.

MR. MILES: By the logic you stated, that would mean everything would be worth $500,000 and everyone's taxes are the same but you know that's not true.

LEGISLATOR WALKER: But you are saying that every single person in Hicksville, every single home in Hicksville the exact same percent?

MR. MOOG: The market in that area went up about five percent if that's the percentage that we show.

LEGISLATOR WALKER: It doesn't matter if you have a small house, big house, no matter how much your house is worth, over a million dollars, which some of them are worth now, and some are worth $300,000, but they all went up because --

MR. MOOG: The market went up because the sales indicate that the market went up.

Like I said, this type of method used is commonly used in many many assessing jurisdictions throughout the country. It's not an aberration, it's actually very common.

In a lot of villages, on the

village assessments, also just trended. You do a reassessment and you can trend for a year, two years, make adjustments.

From that methodology we apply, we did find the accuracy of the tax roll actually increased.

MR. MILES: I also think that we're missing the nuance here is that included in the logic were the grievances and will be the grievances if and when they're successful and the physicals.

So in the scenario you are presenting, you talk about the mc-mansions. If the new mc-mansions are coming up and being built for the '21-'22 year, that value would be captured.

It's not as though every one is across five percent. If people are building their houses and you're building mc-mansion, that mc-mansion or physical value is being put on in full.

So it's not as though every one is five percent. We are missing the nuance. It's not as though no one is receiving the

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grievance. We are trying to implement the grievance.

MR. MOOG: So if there aren't any errors that were made in the Assessment Review Commission, corrected those errors, any different adjustments were made, like was said, as of December 15th, we tried to incorporate all those adjustments in, and that's why we came up with that tax roll this year I believe.

LEGISLATOR WALKER: However, you stated when they go for a hearing, their sales are going to be based on the sales from, what was it, two years ago? Not going to be based on current sales.

MR. MOOG: If you grieving for '21-'22, it's going to be based on the sales from January 1st of '19 to December 31st of '19.

We use sales trends, because we don't have the sales when we are doing the trends, because it takes a while for the County Clerk to give us sales and validate the sales, we use September to September.

September of '18 to September of '19.

So if the sales occurred after September 19, the homeowner can avail themselves of those sales if it justifies. But they use the same sales that we would be using from the trend they can use as comparables and you can attain those sales from the Arrow system.

MR. MILES: That does not hinder the homeowner's ability to take their subject sale, which is a sale that was their own home, they have the ability to take it. Even though it's new, the Assessment Review Commission will review that. They can submit any evidence. They have the ability to submit appraisals and they can submit newer comparables and create their own adjustments.

LEGISLATOR WALKER: Does Prognose have those sales also?

MR. MILES: Prognose can pull the sales.

MR. MOOG: But all the sales are available from the Arrow system when people file grievance, the Assessment Review Commission provides all the comparable sales within the system and can very easily pick the comparables to load up your grievance.

LEGISLATOR WALKER: But Prognose does not?

MR. MOOG: Prognose from the prior years, so the Prognose system did not provide the comparables this year because we used a trend.

But all the comparables you used for a grievance are available from the Arrow System.

LEGISLATOR WALKER: Go ahead.

CHAIRMAN NICOLELLO: Legislator Drucker and Legislator Ford.

What I plan to do, if the legislators are not done by 9 o'clock, we will stop the legislators at that point and bring up some public comment and then we can always resume afterwards with legislators' comments. Legislator Drucker.

LEGISLATOR DRUCKER: Thank you, Presiding Officer.

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Just to expand on Legislator Walker's comments. We both won the boobie prize, a number of residents who are going to be excepting an increase.

In her example of a typical, you know, house that, say a cape, a modest size house that's going to experience a five percent, let's say, increase, that 57 percent, those houses, even though let's say there is a house in her district or my district that's worth a million dollars, and a house in my district or her district that's worth $500,000, the 57 percent is because that was the largest number of houses that grieved their taxes too.

So the modest size house in Hicksville or Plainview may be experiencing a five percent increase, but it's generated by the fact that these two particular districts experienced the largest number of successful grievers; is that correct?

MR. MOOG: That's would be if you comparing taxes compared to the full market value.

So the tax increase is yes, it would result in property values that were probably driven down in value over time through the grievance process, so you probably got a larger number of properties with an increase in taxes.

The five percent trend is simply a sales ratio study done within the school district to create the trends on the sale for the assessments or the full market values for the '21-'22 years.

But you are correct in the reasoning why you had a larger number of increases because you probably had a larger number of grievance driving the values down over time.

LEGISLATOR DRUCKER: That are artificially at a reduced level.

MR. MOOG: As you saw from the example that we gave from the power point presentation, properties that grieved continuously kept using the lower level of assessment that was granted them by the Assessment Review Commission which, I believe, I think it wasn't even made public until 2017, they started publishing that you got a lower level of assessment. It wasn't even known by property owners until much later in that process.

LEGISLATOR DRUCKER: You indicated that the margin of error in your assessment was I think you said 6.5 percent?

MR. MOOG: The coefficient dispersion was 6.5 percent. It's in draft form now. The County Attorney has been working with Robert Glattermans on that.

We would have to speak to the County Attorney to release that report but yes it came out to 6.5 percent.

LEGISLATOR DRUCKER: How does that 6.5 percent compare to other jurisdictions that have undergone a tremendous reassessment like we have?

MR. MOOG: According to the International Association of Assessing Offices, which is the organization that sets the standards and it's also by the Institute of Assessing Officers, which is a New York

State organization, for an older none homogenous area like Nassau County, usually the range of five to 15 percent on a coefficient dispersion is acceptable.

So, in most older jurisdictions, usually the coefficient dispersion, any time you get under 10 you're getting very accurate.

Usually if you are getting down towards five it's highly accurate, you usually don't go below five because when you go below five you're really basically sales chasing. Basically cooking the ratio.

So, with us, we felt we were very happy when the report came out that it got to 6.5. It's probably the most accurate in the state and for a large jurisdiction like Nassau County that's so diverse it's probably one of the more accurate ones throughout the country.

Only I can go from the Newsday article from last year, I think Chicago was a COD of 17 or 18, New York City was 16 or 17.

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In New York State, only two or three jurisdictions get that low. I think Southampton might be down in the sixes. Most of them are in the sevens, eights, and nines. Most of them are much higher.

MR. MILES: I would be interested to see our neighbors to Suffolk how great coefficient dispersions or Westchester is, because it's not going to be close. It's going to be between 15 and 20.

LEGISLATOR DRUCKER: What is the latest timeline for the TPP to be passed in order for it to be included in the tax levy for '20-'21?

MR. MOOG: As we stated in the power point presentation, there's a lot of calculations that go into it.

We have to do a reprogramming in order to implement this exemption which would need to be spread out among 380,000 properties.

So the implementation of that which is a brand new exemption, the exemption codes were just tentatively granted by the state until we implement those past here, but it requires that we make sure that we do the calculations properly, implement them properly, have them layered upon with all the other exemptions. It has to be broken out among 56 school districts in the taxing end as well as over 400 taxing authorities on the local general end.

It's very important. You only get one shot at doing it right. And we've learned over time especially since the time I have been here, that through every step of the way we do a quality control assurance on it. So whatever changes that are made as the implementation rolls forward, we hand it off to a quality assurance team which actually works those large samples manually and that manual vetting to make sure that no errors are being created, that's what stretches out the time.

At the same time, the people who are responsible for doing the new programing still have their normal assignments.

Their normal assignments include other changes to the Adapt system, other information being rolled in, the new school budgets which roll in.

So it's not like we put a special team involved into the programming that the current staff, them being stretched a little thinner, at the same time we have to vet each step of the way.

So I think we stated in the report, it was something like eight weeks, in order to at least get that through and then start rolling in all the values.

So we really do believe getting this passed by April is imperative in order for us to have the time to make sure because you never want to put out the tax bills to the receiver that are wrong. You can't pull them back. That becomes very crucial.

Also, it should be noted that the Adapt System in the security level, very limited people have access to the overall global changes that can be made. And, as you can see, it's a security issue because

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if you had someone who is sloppy about it, you could do massive damage to the tax collection process in Nassau County as well as every taxing authority.

So the number of people that have access, universal access, in my department we have only two, right -- no, three. We have three people.

Then there's another person from IT that has access to it that's being trained so we have at least two people in each sort of segment, that's redundancy, and then the IT division has some access but that access is also limited because if you allow access out to too many people, you are running into trouble trying to maintain and control the integrity of the tax roll, not the assessment roll, but the tax roll itself.

MR. MILES: I think the point being made is, this is a new exemption. It's a totally new exemptions that's global.

So we have to get this right and we have to continually vet it and do quality

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control. We have to make sure that the tax rolls, because this is a global exemption, have to be right, or else we know that county guaranty.

MR. MOOG: I will say that most new exemptions that get applied in the assessment roll is usually applied before the tentative roll is even published.

So if this was in a normal procedure, you haven't wouldn't have access to it, it would have been put on the tentative roll in January 2019 and then we would have all of '19 and up to most of '20 up until August to do the programming.

That time frame has been abridged. So with the abridgement of the time frame we really are working on a tight time frame. But normally we would have over a year and a half to almost leisurely do the programming, fill it in, test it, and have it done on exemptions that are usually much smaller, smaller number of parcels being affected. This is a universal one with a much tighter time frame.

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LEGISLATOR DRUCKER: Thank you very much, both of you.

LEGISLATOR FORD: Good evening. I'm probably going to jump, so just bear with me. Could be confusing at times.

I want to make a comment that I know that when you say that this trend that has been used throughout the United States, I would like to point out that everywhere else in the United States they don't pay taxes like we do. I have friends that pay $800 a year.

So, when we talk about trending, most of those people weren't really impacted by the SALT deduction, lack of it.

But I just want to go back and I'm going to follow-up with some of the questioning by Legislator Walker. Because when I look at, when we talk about the trending, you used the school district. I live in Long Beach.

Long Beach School District encompasses a variety of neighborhoods. We go from Point Lookout, Lido, and then we come into Long Beach. Long Beach has different neighborhoods with different personalities and characteristics.

Then we go into East Atlantic beach. To then say that the trend would be I think maybe six percent or whatever it is, I'm sorry, 4.40 percent I guess, right? So that's based on -- so everybody in my district regardless of where they live basically will see their values go up 4.40 percent.

MR. MOOG: 4.4 percent.

LEGISLATOR FORD: So, accordingly, whether or not their house is $500,000 or a million dollars, am I correct?

MR. MOOG: That's correct.

LEGISLATOR FORD: And there's no consideration taken in to where the neighborhoods are.

I mean, it doesn't seem like -- when you talk about house sales, you're not going into each of the particular neighborhoods. You wouldn't go into the west end and say I live in the west end and you're not going into that neighborhood to say, well, five house were sold.

They were all sold for this amount of money. Their increases were like maybe 3.30 percent but you might go to Point Lookout where the houses are much more expensive. Or they may have rebuilt, might have built a mini mc-mansion up there. They had vacant property.

So then Point Lookout, maybe their house prices went up by the 4.4 percent. So they all rose accordingly. But because I may live in a neighborhood that you're not looking at the sales in my particular, you just looked at the whole school district; am I correct?

LEGISLATOR FORD:

MR. MILES: Can I just correct one statement?

MR. MOOG: We use the whole district because when you do a sales ratio you create a trend. You have to have enough sales in order to make sure any outliers of sales don't overly influence the entire sale sample.

So, yes, we had to use school districts because if you create, let's say, a neighborhood trend, and you looked at four sales, and one of those sales happened to be very high, let's say it showed a 12 or 13 percent increase, and it would really be an outlier, it would be hard to adjust unless you get enough sales to smooth out the entire school district neighborhood.

So that's why we use school districts because it provided enough sales within each sample to provide a reasonable sample to remove any sort of outliers that would an undue influence.

LEGISLATOR FORD: But what samples are you using, are you actually comparing?

My house is an older home. But maybe my neighbors down the block built a brand new home and their house may be they built it, and they can sell it for $850,000. I may not be able to sell my house for $850,000 because my house is old. So how is it that I go up the same rate, the same percentage as they do?

MR. MOOG: The original values were set by the '20-'21 which took account those differences, the neighborhood differences, and overall we are looking at the overall, how much the market increased.

We tried to, sometimes certain jurisdictions would say how much the county goes up and they're raising the entire county two and half percent, but some other times we can actually nuance it and we got it down to school district but we couldn't get it more granular because we wouldn't have enough sales sampled on that basis.

So, overall, like I said, the results we came out with were actually very good results from our analysis, but, yes, we looked across the entire school district and it wouldn't be nuance neighborhood to neighborhood, it would only be school district to school district.

MR. MILES: But the new homes, the physicals, they go on in full.

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MR. MOOG: If it's a brand new home being built that's separate.

LEGISLATOR FORD: I know the one thing, when you came out and spoke to one of my residents, because I know what you mean, so if I sold my house and somebody bought a house and I sold it, it was $900,000, they're paying taxes on $900,000. The value of the house, $900,000.

But, what you said to this one gentleman was that, this fellow maybe an average house price was $500,000 in Long Beach, and he was lucky enough, maybe the house was very old and he bought it for $400,000. You told him that is not what his taxes were based on. That he had to come up with other sales within that area to show that other houses similar to his were sold for $400,000. He may have just been that lucky guy, maybe some old lady just wanted to escape, wanted to get rid of the house.

So when you tax somebody for a higher price what they paid for the house, you punished somebody who may have gotten a bargain on a house because he is not allowed to use that $400,000 as a basis for his taxes.

MR. MOOG: The example I was giving you, in Long Beach at that time, the two examples, giving the example, why you couldn't use a subject sale. When you use subject sale only, that's called sales chasing, and that's an illegal practice in New York State.

LEGISLATOR FORD: That's an arm's length.

MR. MOOG: It's an arm's length sale. But if you just take the value and take the sale subject to that value and just put that on and just use that as a single premise, the value of property, called sales chasing.

So the example I used at the time and I can use it here, is you have a property and it's being sold. A couple just moved to Florida. They want to get this property sold quickly and they want it off the books. They give it to a broker and say

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just sell the property, they're not interested in bargaining, they just want to get rid of it quickly. That probably might sell for less only because of the nature of the sale of the property.

Opposite you have a property being sold and you're a couple moving into a good school district and they want to make sure they get their kids enrolled in school that year in September and they just want to get a property very quickly and they're not willing to bargain it down and they're overpaying the price.

So when you look at the group of sales, you have some of those low sales within that group and some of the high sales within that group.

That's why you need a large enough sample of sales to create the trend. That's what I mean by looking at a large sample of sales.

The example you were using is that you can't use the actual subject sale, you always have to use other comparables

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because you would be sales chasing, you might not be fully indicative of the value of the property if you over paid or underpaid.

LEGISLATOR FORD: It's the value of that property, the value that that person paid for that property based on what they purchased.

So, then the same thing would be that if somebody sold their house in Long Beach for $1.3 million, and you can't find any other sample sales for $1.3 million, why are you making them pay more taxes?

MR. MILES: That's why we use the school districts because they have a large enough sample.

But one thing I want to say about the subject sale. The homeowner is permitted to use the subject sale as evidence when they go to a grievance or SCAR.

We are the ones who are hindered from using that. It's a good practice because you don't want the neighbor, you know, what Mr. Moog was saying, there's certain different scenarios that people are selling their houses with different motivating factors.

But that homeowner may use that sale in their own case.

LEGISLATOR FORD: And he will. But you are also, based on this, you're also compelling all of us. I never grieved and you would think that maybe because I never grieved according to all of this that those who did not grieve paid for everybody who grieved. I don't see it that way at all, for me, I don't see it, because I had that opportunity to do what I wanted to do.

But you would think my taxes were going to go down but they're not. So that I know.

But I think now when I look at this and this trending and these variables and all these changes that we can't.

You are going to compel each and every single person to grieve their assessment because they don't know whether or not with the trending values that you're using,why am I supposed to be paying the same amount when my house is older than somebody else's house is much newer or much bigger and they have more property?

I live on a postage stamp property. I live in the west end. We have the values, like you gave us a neighborhood factor of such a high rate, like we're one of the neighborhoods to live in which is fine, except for the fact that we flood a lot, and have other issues.

So maybe just because a lot of young people like to live there, it might be a gateway for them to rent and then move to neighborhoods where they have backyards and stuff like that, but I feel that we are being unjustly assessed at a higher rate.

When I even look at the ladder reports and some of the parking issues and garages and stuff you are giving us, it's not equal compared to other neighborhoods as well. I just think that that's wrong.

MR. MILES: With the 6.5

coefficient of dispersion means are getting very very close to bull's-eye and, on top of that, what I would suggest, if somebody says, well, the trend, I don't understand the trend.

When you grieve your assessment, you have to look at your individual house, individual property, you have to consider for yourself. That's the point.

LEGISLATOR FORD: And even when you grieve your assessment -- when you grieve your assessment, when you look at the values and look at the market values and add on to somebody's assessed value, are you assessing then if somebody -- do you take into consideration if I'm renovating my house you're going to see the permit side, so then you're going to say her house should really go up a little bit more because --

MR. MOOG: No. When you do a renovation, then we have an assessor go out and those properties are not trended. Those are valued individually because those properties, we view, if it has substantial

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alterations, it's not the same property that was really on the roll in '20-'21.

We do an individual look at that property. Take into account the differences that were made. We have an appraiser look at it and completely revalue those properties based on any physical changes that were occurring with those properties.

LEGISLATOR FORD: So then the same would hold true for somebody if I was trended up where the houses, two-family houses, would go for say $800,000, okay, but my house is old and I can't afford to renovate anything. I have an old kitchen. I have an old bathroom.

I realize you valued my house the same as a brand new house. Then I have a right to grieve my assessment to say that my kitchen is old.

So actually then my assessed value, or market value, probably would go down about $100,000 or $150,000?

MR. MOOG: Well, if you grieved in '20-'21 and you had an offer in '20-'21,

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we rolled that reduction and we were hoping that from people who grieved and received offer reductions, all those different nuances, all those individual pieces of information that would be provided at ARC, were incorporated in that reduction and then we trended up from that lower value.

So that was one of the nuances that we did.

What was one of the things that was missed in the prior administration, I don't mean Mangano's, I mean back in Harvey Levinson's day was, he ignored what was coming out of ARC and he had this ping pong effect. Lowered. He raised it again.

We decided that if you grieved and you made your case at ARC and obviously people made very good cases in ARC if they brought forth facts about their property had different attributes that reduced their value, and ARC took those into consideration, even though we might not have known what was ARC's decision on that, we respected ARC's decision and then trended from that lower value.

So then it started from a lower point on those properties. That was one of the things that I think was important in my decision making towards the end of the year to make sure we incorporated the ARC reductions so that a lot of people who felt they didn't get the proper assessment in '20-'21 received the reduction, they wouldn't have to go back again because I would trend on top of my '20-'21 roll, even though it wasn't even accepted sometimes, we incorporated the offer of reduction into the assessment.

LEGISLATOR FORD: So if somebody grieves and their assessment is lowered --

MR. MILES: Right.

LEGISLATOR FORD: Then you are going to keep that assessment low?

MR. MOOG: We are going to trend from that lower number. So if you went from 500 to $450,000, then we trended from that base of 450, not from 500.

LEGISLATOR FORD: Then what we

need to do is tell everybody who did not do anything to their home, really, once again I'm compelled to tell everybody you better grieve just to make sure that you have taken into consideration all of the nuances of their homes, whether or not their old kitchens or new kitchens or whatever.

MR. MOOG: If they believe their home would sell for less than the property value we have on it, then they have the right to grieve and they would look at comparables for that and make their case at ARC.

Again, we said that's why we incorporated those reductions at ARC, trying to make sure going forward --

LEGISLATOR FORD: But if somebody didn't fix their house up and it doesn't matter if another house sold for $800,000, they didn't fix their house up, that they don't need to have -- how are they going to get comparable sales for houses they don't know if they were fixed up or not?

MR. MOOG: It's always in the end

judgement of value at ARC or SCAR or an appraisal is developing comparables, and you adjust those comparables to subject.

So if the comparable is better than your property, you would adjust their sales price downward by percentages to take into account the detriment of the property compared to the subject, called adjustment to subject.

So if your property is of a certain size, two identical houses, but one house is a larger lot, and your lot is smaller, and that property of a larger lot sells, you would take that sales price and adjust that sales price downward. You wouldn't take the sales price on whole. You would adjust it say 20 percent or 15 percent by an adjustment factor. That's what appraisers do, it's called adjustment to subject.

LEGISLATOR FORD: So if somebody had an appraisal done by a separate appraiser, you would accept that?

MR. MOOG: ARC will accept any

sort of evidence of value.

Actually, when people grieve either by themselves or through a tax rep, you adjust comparables to subject. That's a common appraisal practice called adjustment to subject.

That's how people buy and sell property. When you're buying a property in your mind, you're adjusting the value from how much properties are selling for and saying, I'm willing to pay X number. You don't just take the number given by the broker. You start bargaining it back and forth.

Depending on how anxious the seller is and how anxious the buyer is, you come to a value.

LEGISLATOR FORD: Fair enough.

I just want to go over the presentation. On the one where we said the exemption is not recalculated in subsequent years.

MR. MOOG: The TPP, right.

LEGISLATOR FORD: You said this

phase-in is only applicable to this new assessment.

So in two years, if people grieve their assessment, we're not going into another five year phase?

MR. MOOG: Once the exemption is set it rolls regardless of any other changes to the property.

If you receive a reduction at ARC, you still get that exemption for the five years you've been calculated out. It will just be minus against a lower value.

If the property has an alteration and it's increased, the exemption still keeps rolling.

LEGISLATOR FORD: This is like a one time thing?

MR. MOOG: It's a one time. Because we're looking at when you corrected the assessments, so that like if somebody is going to go up $8,000, instead of doing it for next year, they're going to gradually go up over five years, correct?

MR. MOOG: The exemption is set,

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like the example, it's sort of set no matter what happens to the value.

So if you have a property, like the example we gave, it was $20,000 each year, it was an 80,000, 60,000, 40,000, 20,000 exemption.

Let's say the subsequent year the full market value increased for 500 to 520. The exemption still remains the 60.

The next year for some reason the market crashes, goes down to 450, or ARC reduces it to 450. The exemption will still just be 40. So that exemption is set. It just rolls as a set number down each year until it rolls off.

So regardless of how the value changes, the exemption continues rolling no matter who owns it or what happens to the values.

MR. MILES: I think other exemptions are built like this too. There are other exemptions in the law that are built like this.

LEGISLATOR FORD: Sort of

confusing at times. I think that's it for now. Thank you.

CHAIRMAN NICOLELLO: Before Legislator Rhoads, Mr. Moog, in your professional opinion, as an assessor, which is more accurate; trending or modeling?

MR. MOOG: It depends on the dynamic of the year where the market values are changing and it also depends on the accuracy of the prior roll and depends on the accuracy of the data you are using.

It's very common when you do a full reassessment like we did in '20-'21 for a jurisdiction to then trend possibly for a year or two.

A lot of villages in Nassau County will trend up to five years and some up to ten. I don't believe in a ten year trend. I believe you can trend two, three years and then go back to reassessment.

Actually, the recommendation of officers, if you do a reassessment every five years and they can trend in between.

I don't think that's for a market

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as changing as Nassau, five years might be a long period of time.

It all depends on the accuracy of the prior roll. Modeling is usually applied when you haven't done a reassessment in a number of years.

After eight year, nine year period, modeling was absolutely appropriate because trending would not create an accurate assessment roll.

So, in this case because the market was fairly flat, overall Nassau County changed by about 2.5 to 2.9 percent and that we were able to get a significant number of sales, we were able to I think really come accurate with using a trended method.

If, say, for example, the market stays fairly flat, trending might be appropriate but I think I want to try to start modeling to catch the outliers to .2 properties which is a common practice.

We actually took some consultation from an expert upstate which uses a model, and then from the model, you then point to five or six comparables and then you look at the outliers.

So the model sort of guides you provides it doesn't become the proxy, it becomes the guide.

There's two ways of doing it. You can have the model do the proxy, the model values, or you use the model as a guide to then use four or five comparables to apply.

So there are two ways to apply a model on that and Prognose allows both.

CHAIRMAN NICOLELLO: The Prognose contract or license, is it based on -- are we paying based on use or are we paying a fee based on the time period that the license is in effect?

MR. MOOG: Based on the time frame. But it includes the other uses that we have for it including SCAR.

CHAIRMAN NICOLELLO: So we use Prognose to extend last year, the tentative roll, in 2019.

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This year we are not using it but we are -- we didn't use it except for the high end properties, but we're still paying for it though?

MR. MOOG: But we were using it for SCAR. We wouldn't be able to use our SCAR season without it.

CHAIRMAN NICOLELLO: I go back to Legislator Ferretti's transcript, I guarantee the representation before this Legislature that it was the primary use for this. The primary use was for assessment purposes and not for assessment challenges.

In fact, I think it was, if I remember correctly, it was massively down played the use, it was a concern that the county would be stacking the deck by using it for assessment and using Prognose again when challenges were made. So that's different than what we understood.

We passed this. We approved this contract and license that Prognose would be used on a regular basis on assessment, not shifted over to the trending in which it would be just used for SCAR.

MR. MILES: In the background, we are continuing to use it for modeling purposes. Right now our staff is developing its own model so in the future we don't have to use an outside vendor at all to use the model.

So we continue to develop our own models and create our own comparable models.

So the goal of using Prognose was to wean off of outside vendors and this contract is leading us I think in a very good direction to be honest.

MR. MOOG: The modeling team we have in training now is an exceptionally good team of new people, all of them young people, very well educated learning into the modeling system. We hope at the end of the Prognose contract that we won't need a contractor at all. It will all be done in house.

CHAIRMAN NICOLELLO: Mr. Rhoads, Mr. Gaylor.

LEGISLATOR GAYLOR: Thank you,

Presiding Officer. Thank you, Mr. Rhoads. I promise to be brief. Good evening.

Just a couple of questions. You sited the conclusion that justifies the '21-'22 assessment being -- did you say the Louden report?

MR. MOOG: Yes.

LEGISLATOR GAYLOR: Briefly what is the Louden report?

MR. MOOG: The County Attorney employed an expert an they decided to do a sales ratio study and see the coefficient of dispersion which uses an entire year of sales, this time use nine months of sales, might revise it to a year's worth of sales which you then develop what they call a coefficient of dispersion which creates a factor to show the uniformity of the assessment to the sales.

So from that report and it's still in draft form, still with the County Attorney, but I can reveal that the coefficient of dispersion came in at 6.5 which is very low which shows uniformity of the assessment roll to the sales from that '21-'22 year.

LEGISLATOR GAYLOR: All right. Have you released a draft of that report?

MR. MOOG: Still in draft form. We have not released the draft of the report. I will ask the County Attorney if they can release a letter ruling on it because I think the draft report might be used in litigation.

But we can probably see if we can get some sort of letter that would detail at least the coefficient of dispersion and the number of sales used.

MR. MILES: Because of the Halpern stip, abide by the Halpern stip.

MR. MOOG: It was done in light of that, every year we had to look out for the Halpern stip. But we will try to find some sort of summary to distribute to the Legislature.

LEGISLATOR GAYLOR: Or you can provide the original report in executive session?

MR. MOOG: That we would have to consult with the County Attorney. I think they would consult with your general counsel on that.

LEGISLATOR GAYLOR: Maybe would you go back to the County Attorney and ask for that?

MR. MOOG: Absolutely.

LEGISLATOR GAYLOR: Because ultimately the taxpayer should be able to see this report, since taxpayer dollars pay for the report.

MR. MOOG: I think that's a discussion between your general counsel and the County Attorney. They can work out the details of that.

LEGISLATOR GAYLOR: Understood. Thank you, Mr. Moog.

CHAIRMAN NICOLELLO: Mr. Rhoads.

LEGISLATOR RHOADS: Thank you, Mr. Presiding Officer. Good evening. Do you need a break or anything?

MR. MOOG: I'm okay.

LEGISLATOR RHOADS: I know we are

going to public comment so some of my questions may have to wait until afterwards.

You have been using the terminology Taxpayer Protection Plan.

MR. MOOG: Yes.

LEGISLATOR RHOADS: That's the same as the transitional phase-in?

MR. MOOG: It's the phrase that's being used by the County Executive to reflect real property tax 485.

MR. MILES: 485, and it's reflective of 1805.

LEGISLATOR RHOADS: I want to make sure we're talking about the same thing. You're calling the Taxpayer Protection Plan is the five year transitional phase-in, correct?

MR. MOOG: Right. The one that was passed last year by Albany.

MR. MILES: Similar language to 1805, commercial.

LEGISLATOR RHOADS: Just what the County Executive is referring to it as?

MR. MILES: Correct.

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LEGISLATOR RHOADS: Real property tax law does have a phase-in provision in and of itself, correct?

MR. MOOG: That is correct.

MR. MOOG: 1805.

LEGISLATOR RHOADS: The only reason, when the decision was made to drop the LOA to two .1?

MR. MOOG: Yes.

LEGISLATOR RHOADS: That's essentially the reason that the TPP became necessary, correct?

MR. MOOG: The reason the TPP became necessary was to avoid large swings, large increases in the tax burden that would be resulting from the reassessment.

LEGISLATOR RHOADS: But those large swings in the burden, as you described it, the LOA was dropped to .1 so as to be able to more quickly realize the full value as a result of the reassessment that was being conducted, correct?

MR. MOOG: To bring about equity to the assessment roll, and also bring in

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alignment in what ARC would be using also.

LEGISLATOR RHOADS: So, in essence, the decision to drop the LOA to .1 is what removed the protections under 1805 essentially, because they're no longer applicable, which created a need for the substitute which is the TPP, correct?

MR. MOOG: Well, lowering the level of assessment .10 was necessary after freezing the roll for eight years which was probably a very unwise move. As you saw from the chart --

LEGISLATOR RHOADS: I'm asking for a yes or no question.

MR. MOOG: There's no yes or no answers here. I'm not on trial. I'm trying to resolve what you are trying to say here.

As from the chart that was shown on the level of assessment, level of assessment was being eroded and used a much lower level of assessment at ARC and I wanted to make sure --

LEGISLATOR RHOADS: I'm not asking for justification of why the LOA was dropped. We are just laying that issue to the side.

MR. MOOG: Right.

LEGISLATOR RHOADS: The fact that the LOA was lowered to .1 is what created for a need of a substitute which is transitional phase in, correct?

MR. MOOG: It provided the relief from the need for the assessments that were changed through the LOA being reduced to .10.

LEGISLATOR RHOADS: My understanding that the phase-in plan is based upon an exemption base, correct?

MR. MOOG: Yes.

LEGISLATOR RHOADS: And, in fact, the exemption itself is a percentage of the exemption base, right?

MR. MOOG: Yes.

LEGISLATOR RHOADS: And the exemption base is the difference between the 2019 tentative assessment minus the equalized 19-20 final assessment, is that right?

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MR. MOOG: The final 2019 to the tentative '20-'21.

LEGISLATOR RHOADS: So when we say the final 2019, it's the '20-'21 tentative minus the '19?

MR. MOOG: Final '19, yes.

LEGISLATOR RHOADS: So now the final '19 is what you yourself described as a product of a broken and corrupted system, correct?

MR. MOOG: It was based on a frozen roll for eight years that was eroded through the different levels of assessment being grieved, yes.

LEGISLATOR RHOADS: So part of the basis of the phase-in is the -- I'm using your terminology, the broken and corrupted assessment.

MR. MOOG: Yes.

LEGISLATOR RHOADS: That's used in conjunction with the tentative '20-'21 roll which was the subject of approximately 260,000 challenges, is that correct?

MR. MOOG: It's the tentative

roll that's being used, yes.

LEGISLATOR RHOADS: So the 260,000 challenges represent over half of all of the residential and commercial properties in Nassau County; is that correct?

MR. MOOG: The 240,000 challenges represent 240,000 out of 379,000 parcels, yes.

LEGISLATOR RHOADS: Well, 240 was residential, right?

MR. MOOG: Right. We're only talking about residential here because the exemption only applies to residential.

LEGISLATOR RHOADS: Fair enough. But you're still talking about well over half of the residential properties in all of Nassau County challenged their taxes, the tentative, not the adjudicated roll, the tentative roll is being used as the basis -- in other words, before all the corrections?

MR. MOOG: Correct.

LEGISLATOR RHOADS: That's what's being used as a basis to determine how this is going to be phased in?

MR. MOOG: How much exemption will be phased in.

LEGISLATOR RHOADS: So we're using a roll where we don't know what the ultimate outcome is. For example, you are saying that the roll is accurate within six and a half percent is what you're being told?

MR. MOOG: On the '21-'22, yes.

LEGISLATOR RHOADS: How about '20-'21?

MR. MOOG: I think the number was 8.9.

LEGISLATOR RHOADS: That was 8.9 based on an estimate?

MR. MOOG: Based on the tentative roll, yes.

LEGISLATOR RHOADS: We don't actually know what the outcome is as Presiding Officer Nicolello was alluding to previous, it's not final until you go through the SCAR process, correct?

MR. MOOG: Yes, completion of the

SCAR process.

LEGISLATOR RHOADS: So ultimately what comes out of the SCAR process is what we will really determine how accurate that roll really is, correct?

MR. MOOG: If you do a full study on it, you would find out from the SCAR process if it was a more accurate roll or not. It may result that the courts made decisions that made it more or less accurate but that's out of my hands.

LEGISLATOR RHOADS: Aren't the courts supposed to be the ultimate arbiter as to what is or isn't accurate?

MR. MOOG: They will judge but it doesn't mean if they use faulty judgement it might create -- lead to a less accurate roll. That happens quite frequently if the courts don't do their job diligently.

LEGISLATOR RHOADS: So if the roll is inaccurate now it's the court's fault?

MR. MOOG: That's correct.

LEGISLATOR RHOADS: Good to know

that's the result of the process.

So you are right even if the courts who were supposed to determine whether you are right or wrong say you're wrong?

MR. MOOG: I'm saying if the courts don't do their job properly you can end up with a tax roll that's less accurate.

LEGISLATOR RHOADS: Would it be a fair system if he was the assessor or the judge and jury?

MR. MOOG: No. That's why you have an administrative review process and that's why you have a judicial review process. I am saying --

LEGISLATOR RHOADS: As County Assessor, you are saying that you will not agree with the final determination of that adjudicated process?

MR. MOOG: No. I will abide by the final adjudication but we will be vetting the final adjudication to see if the tax roll is more accurate from the final results. We will take a review of that.

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LEGISLATOR RHOADS: But you will abide by whatever --

MR. MOOG: Absolutely. We have to, but we will judge it.

LEGISLATOR RHOADS: And my understanding is that the exemption is that in year one it will be 20 percent -- I'm sorry, year one will be 80 percent of the exemption base of the '20-'21 final assessment.

MR. MOOG: 80 percent of the difference between the tentative '20-'21 and the final 2019-20.

LEGISLATOR RHOADS: Year two will be 60 percent, year three will be 40 --

MR. MOOG: Once the exemption is set it rolls on a continuous basis, yes.

LEGISLATOR RHOADS: Okay. I believe you indicated it was about 390,000 residential properties in Nassau County?

MR. MOOG: I used 379.

LEGISLATOR RHOADS: Do we know an exact number?

MR. MOOG: I have in my office

the exact number.

MR. MILES: 379.

MR. MOOG: About 379.

LEGISLATOR RHOADS: You indicated that there were 240,000 residential challenges that were actually filed?

MR. MOOG: Yes.

LEGISLATOR RHOADS: Can you explain why the proposed phase-in utilizes the tentative assessment roll as a basis for the exemption?

MR. MOOG: A policy decision was made at the time when submitting the legislation that if people file grievances and you had to wait until the final roll, they would not realize their entire reduction from those grievances for five years.

So the decision was made to use tentative roll so at least if people filed grievances and we were incorrect, the homeowner would realize the entire benefit of that reduction in that first year.

The would realize the entire

reduction over five years but we felt it wouldn't be fair if we made mistakes that we would have to wait five years for that correction to go forward.

LEGISLATOR RHOADS: So the decision was made?

MR. MOOG: It was a policy decision made in the executive office when drawing the legislation up.

LEGISLATOR RHOADS: By the executive office, you mean the County Executive?

MR. MOOG: Yes.

LEGISLATOR RHOADS: By using the tentative roll, you are able to implement it more quickly?

MR. MOOG: Yes. We could probably implement it quicker. It still requires a lot of programing but it wouldn't have to wait until the entire SCAR season was resolved, yes.

LEGISLATOR RHOADS: But it's the roll at the conclusion of the SCAR season that is the most accurate, correct?

MR. MOOG: That's the final roll. I wouldn't judge it on to the accuracy unless I did a study of that roll afterwards.

LEGISLATOR RHOADS: Again, we are back to the adjudicated process. At the conclusion of the adjudicated process, after you have had a truly independent -- because right now where we are in the process is, you have one set of county employees telling another set of county employees whether they're right or wrong. So that's not -- I know you used the term independent. Not really independent.

MR. MOOG: They're independent from my office, yes.

LEGISLATOR RHOADS: The SCAR process is where you get an independent third party that's actually making a determination as to who is right.

MR. MOOG: Independent small claims hearing officer, yes.

LEGISLATOR RHOADS: So, would it be fair to say that at the conclusion of that process is when we actually have an idea of when we have the most accurate roll?

MR. MOOG: I would say we have to judge from the figures coming out from that. I would not say every single hearing officer is going to make the right judgement.

We would take a review of those values to see if the coefficient of dispersion changed positively or negatively from the results of the small claims hearing.

LEGISLATOR RHOADS: That's how you are going to build a future roll.

MR. MOOG: No. That's also how I'm going to judge it. It doesn't matter that I will still implement all the reductions.

I will not concede as a more accurate roll from the result. I would have to take judgement roll and probably hire an independent expert to see if it was more accurate.

LEGISLATOR RHOADS: But with respect to the '20-'21 roll you would agree that at the conclusion of SCAR, that is what the '20-'21 roll is; that is a final determination?

MR. MOOG: That is a final roll, yes.

LEGISLATOR RHOADS: That makes it de facto of the accurate final roll, in other words --

MR. MOOG: I wouldn't say it's the final roll --

LEGISLATOR RHOADS: No more appeals from that, that is the final adjudicated roll?

MR. MOOG: That is the final adjudicated roll, the accuracy would have to be judged by someone else.

LEGISLATOR RHOADS: Who gets to judge that?

MR. MOOG: Well, if we higher an expert to look at it, they would take a look at it. I think it's worthwhile to look at the accuracy of the roll after it goes through SCAR and I think that would be a very worthwhile for my office or someone in the county to do.

LEGISLATOR RHOADS: Would it be fair to say that using the tentative roll, however, would be the least accurate roll?

MR. MOOG: Using the tentative roll would allow any homeowner who does receive the reduction realize that entire reduction in the current year rather than wait for five years, and that was the policy decision made by the County Executive.

LEGISLATOR RHOADS: But the decision was made to essentially, from where I'm sitting, it sounds like the decision as made to get it quicker at the expense of getting it more correct?

MR. MOOG: No.

It was made in light of that belief, was that homeowners if they grieved and received a reduction, they would be able to receive that entire reduction amount or realize the benefits of that reduction in that year that the reduction is granted rather than waiting five years which would result of being spread out if you waited until the end of the SCAR season.

In addition, if we had to wait till end of the SCAR season, it would be impossible for our office to implement, we wouldn't have enough time to implement. So it's a dual factor.

But the main driving factor on this was that if people file a grievance on an error, that they would be able to realize the entire reduction amount and realize the benefit of that reduction in that year and not wait five years.

LEGISLATOR RHOADS: But there is another side to this equation. We keep using the term reduction, but the same five year phase-in provides an increase, doesn't it?

MR. MOOG: How so?

LEGISLATOR RHOADS: Well, in other words, if we're telling a homeowner that their home is worth $400,000 instead of $500,000, they're still going to get charged 480 on year one, 460 year two, right?

MR. MOOG: No. If they -- let's

say if it was 500 and the exemption was calculated as in the example shown, $80,000, and they received a reduction from the Assessment Review Commission, that exemption still stays the same, so now the taxable amount, let's say it was 450, the taxable amount is 380 --

LEGISLATOR RHOADS: I'm talking about your tentative roll. I'm saying, if someone didn't grieve their taxes and their old assessment -- historically didn't grieve their taxes, and their old assessment was $500,000 as a result of the new assessment, that assessment is now $400,000.

MR. MOOG: They realize that immediately the way it's written. They don't have to wait for the phase in.

MR. MILES: It's not phased in. They realize the market increases decreases and grievances immediately.

MR. MOOG: But also if it was from the old roll, was 500, and new roll was 450, they would be then -- they would get the exemption. Gets it automatically.

That's how the exemption is written.

LEGISLATOR RHOADS: Then how is the tax base made whole if that is accurate?

MR. MOOG: The tax base is made whole just looking at the taxable value compared to the budget and the tax rates are generated from that.

Whatever the assessments come out to the taxable assessments, it always bumped up against the budget to create the tax levy.

LEGISLATOR RHOADS: But if someone's taxes are increasing as a result of the assessment, that increase is being phased in over five years?

MR. MOOG: Yes.

LEGISLATOR RHOADS: If the pie remains whole, does that not mean that someone entitled to a reduction is receiving that reduction in increments as well?

MR. MILES: They receive them, the market decreases and the grievances immediately.

LEGISLATOR RHOADS: But they're

not receiving the benefit immediately, correct?

MR. MILES: I think I'm missing the point. Can you rephrase the question?

LEGISLATOR RHOADS: Sure. If, as a result of the reassessment, I'm due an increase in my taxes and that increase is going to be phased-in over a five year period of time, if I'm entitled to a decrease in my taxes --

MR. MOOG: From an ARC reduction you're saying? To a decrease, yes.

LEGISLATOR RHOADS: If I'm entitled to a decrease in my taxes, isn't that phase-in over --

MR. MOOG: That's also phased in over five years.

LEGISLATOR RHOADS: So my overall point is, that based upon the phase in system for the now originally was supposed to be 45 percent that were receiving an increase, now we know it's 55 percent that are receiving an increase, and approximately 45 percent receiving a decrease.

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If I'm in the 45 percent that is supposed to be receiving a decrease, I've got to wait five years to receive my decrease, right?

MR. MOOG: That is correct but if we didn't do the reassessment, they wouldn't have received the decrease to begin with.

CHAIRMAN NICOLELLO: Let's finish up. Mr. Moog is going to take a break and then we are going to go to public comment.

LEGISLATOR RHOADS: Let's switch it now. That's fine.

CHAIRMAN NICOLELLO: You need a break?

MR. MOOG: Just one bathroom break and be back.

CHAIRMAN NICOLELLO: We'll resume in five minutes and start with public comment.

(Whereupon, a five minute recess was taken.)

CHAIRMAN NICOLELLO: Michael Gillman.

MR. GILLMAN: Thank you very

much, sir. Thank you very much, sir.

In February of 2015, at my urgent request, the Department of Assessment sent a gentleman to my home, a senior assessor at the county Department of Assessment. His name was Anthony Fizarolo, please don't ask me to spell that. He came and assessed my home and said it was a tear down. That it had no value except the land value, that it had defects that were not fixable and my assessment was lowered as a result of several tax grievances to the land value.

I was therefore shocked and horrified when I got my new assessment last January with a 130 percent increase in the so-called fair market value and the assessment now said my home was worth $463,000.

When I went to the Department of Assessment to ask how they could have possibly done this, I was told, and I quote, you grieved your taxes three years in a row, now we're getting even, now you have to pay.

I filed a grievance.

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My grievance was rejected. I received no reduction.

I have no heat in one room. I have three missing ceilings. A missing wall. No oven. No air conditioning to speak of and no electricity in one room.

I don't think my home is worth that.

Mr. Moog, you dare to tell people that your assessment is correcting, that your assessment system is fair and equitable and you take into consideration the condition of the homes.

I'm here to tell you to your face, sir, that that is a bold faced lie. It is not true. Certainly not in my case.

It's like saying that my 13 year old Honda, beat up and scratched and dented and it sounds like a bolts are rattling is worth the same thing as my next door neighbor's brand new $50,000 Lexus, just because I park next to him. That's not the truth.

There may be homes in my area

that were under assessed. Mine was not.

I'll see somebody about this in court and I hope to God that the SCAR people will do something for me.

But, for sure, our assessment was neither fair nor equitable nor logical.

Thank you ladies and gentlemen for hearing me. I have with me 8 by 10 color photographs if anybody would like to see some pictures to verify what I said.

CHAIRMAN NICOLELLO: Please present those photos and we'll accept them and circulate them.

LEGISLATOR RHOADS: Mr. Gillman, if I could ask if you don't mind, did you make a foil request for information?

MR. GILLMAN: I almost forgot. After this gentleman, Mr. Fizarolo came to my home, he filed a report with the Department of Assessment. That report is readily accessible to the people in the department.

When I went there and asked for a copy of that report, the lady behind the deck only had to push a button on the computer to read the report, and she then said if I filed a written application, which I did, that I would receive a copy of that report, that I could take to my SCAR hearing. That was over a month ago. I received no such copy of the report.

I wasn't told I wouldn't get it, but I did not receive it.

Thank you, sir, for reminding me of that.

LEGISLATOR RHOADS: Mr. Moog, when can Mr. Gillman expect to receive his report?

MR. MILES: I have to see the Foil. It might not have made it up to my office for acknowledgement, but I will acknowledge it and respond accordingly.

LEGISLATOR RHOADS: Obviously you are familiar with the requirements under Foil, right?

MR. MILES: Yes, yes.

LEGISLATOR RHOADS: You have to let him know within five days whether or not he's going to receive it and produce it within 30, correct?

MR. MILES: That's for the modelings for general foil questions, but if this is a simple request, I can send it immediately. I will go back to the department to talk about.

LEGISLATOR RHOADS: Will you take Mr. Gillman's information and respond to him tomorrow?

MR. MILES: Absolutely.

LEGISLATOR RHOADS: Mr. Gillman, if you're still here.

CHAIRMAN NICOLELLO: We have his information, we will bring it down to him. Dennis Duffy.

MR. DUFFY: Thank you. My name is Dennis Duffy. I live in Lynbrook.

You folks are way ahead of me with the trending stuff. I'm still trying to understand the '20-'21.

I've heard it discussed that Prognose was supposed to show us comparables.

I spoke to seven different employees at the Assessment Department and they told me that there are no comparables.

It's all in the computer and the comparables that used to appear on the website were totally meaningless.

I have the following questions for Assessor Moog.

Can you tell me what sales went into the determination of my home's value and how those sale's amount were used to calculate the scare foot value that was applied to the actual square footage of my house to create the starting point on the calculation ladder?

Two. How can I get the property record card for my house corrected?

When I complained to Anthony Arcuri of the Assessment Department he reduced it by $5,000.

Later, I discovered that he accomplished this by reducing the number of plumbing fixtures on the property by one.

Now, when I sell the house, the

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house isn't going to match the property record card and the buyer may have trouble getting financing. Now I think I was entitled to a reduction of $50,000 not five, but should have been done in a legitimate fashion.

I sent a letter to the County Executive five weeks ago on this issue which she presumably gave to you, I have heard nothing.

You sent me an email on October 24th, 2019 saying here's the formula. You gave me the computer code again under the county law that you had given me under my foil request which doesn't answer the question.

The email said, I have to send you additional information implying that the computer code wasn't complete.

What is it? Was at computer code complete and this other stuff was just gratis or are you ready to admit that when you told Justice Baccari under the Foil proceeding was not the whole story?

I ask the Legislature to do three things.

Have the Presiding Officer or the clerk, whatever is appropriate ask Mr. Moog for the formula and see how they progress.

Pass a bill requiring the County Assessor to periodically report on inquiries, however they come, over the transom, through the assessor on the website, so on and so forth, as to how many they received, how long it took to answer them, did they ever answer them?

I filed two over a year ago on the ask the assessor website, I haven't gotten an answer to either.

Three, ask the comptroller to do a performance audit of assessment department's handling of queries through the website and otherwise.

There's a lot more here which is a back up and the reasoning for my questions. May I give a copy to you, Mr. Moog?

CHAIRMAN NICOLELLO: The clerk

will take it. Mr. Moog will get a copy as well as the legislators.

LEGISLATOR GAYLOR: In response to Mr. Duffy's questioning about the periodic reports. If my memory serves me correctly, I think the county Legislature passed a law here that was vetoed by the County Executive requiring such information from Mr. Moog's office.

Is that true? Do you remember?

CHAIRMAN NICOLELLO: I don't know if it was exactly what he was asking for --

LEGISLATOR GAYLOR: We had a reporting requirement I believe.

CHAIRMAN NICOLELLO: We were looking for answering of the telephone calls and then processing of how those calls went.

This is something different. We can look into this as well.

LEGISLATOR GAYLOR: Very good. Thanks.

CHAIRMAN NICOLELLO: Mr. Patrick Salmon.

MR. SALMON: Yes. My name is a

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Patrick Salmon and I live in Bellerose Village.

So, in October of this year, I received a tax bill and I looked at it and I said -- I ran into one of my neighbors. He says, Pat, what you paying?" We're talking.

So he was paying $1,700 less than me. And he says oh, my other neighbor. You have to talk to John. John's paying almost two grand less than you.

I thought to myself that's a little steep. $500, $600. I'm willing to fly. I thought you guys were doing your job.

I thought Mr. Moog's department was doing their job.

But, no, you have to go to the Assessment Review Commission and they won't talk to him like his answer to you today.

Oh, you don't ask me that question. You have to ask the ARC the question.

Well, Mr. Moog, I got your point and it sounds like you got a good system and you finally got something statistically headed in the right direction.

Good for you.

So, I said to Laura Curran, hey, my neighbors are paying two grand less than me. I'm paying two grand more than them. Why? My house is smaller. The lot size is smaller. Let's get this cleared up right away.

Oh, we can't do that.

Why not? You had to grieve your taxes in a certain time period.

I said, where were you, Pat? Why didn't you do this? I did grieve my taxes once in 2015. I figured you guys corrected the situation. I thought you were a real business. You're collecting money.

So, I found out, yes, you gave me $1,000 off. My wife says to me, Pat, you're going to grieve your taxes next year? I said, no, they fixed the problem, they gave us a reduction. So that was about five, six years ago.

Now all of a sudden I'm finding

out people with homes that are a lot nicer are paying less.

I don't think that's fair.

So I finally find some people to talk to and now they say to me, oh, you're going to continue to get screwed, Pat, because we're going to phase-in.

You know the people that are getting $2,000 less payment than you, Pat, are going to get phased in to get brought up to you.

I said, what the hell are you talk about? I'm 70 years old. I'll be 75 before this comes out fair. That's not the way this game is played.

I'm mad enough about what happened in the past. You screwed me there but you can't screw me going into the future. That's what I'm pissed at.

You know, Joe Biden didn't spend any money and he beat Bernie and beat Bloomberg.

You don't have to spend a lot of money to beat you guys or Curran.

So, Moog, I want an answer, am I going to subsidize my neighbors more? I want an answer today. I don't care where he lives. Am I going to subsidize these people more?

MR. MOOG: Yes, the decreases are phasing as well as the increases.

MR. SALMON: Wait a second. Let's say you went into a grocery store and you wanted to buy a six pack of beer an you say, oh, I don't want to pay $10.

We're going to roll that in for you, Mr. Moog. We are area going to start you out, pay $6 for the beer, and all these people at Shoprite are going to pay. Forget about it, who talks like that.

CHAIRMAN NICOLELLO: Thank you, Mr. Salmon. Thank you.

MR. SALMON: Is there something that I can do to get this corrected, please? Sir, I mean I would like to know what to do.

His department says talk to ARC.

CHAIRMAN NICOLELLO: You have to look an annual basis whether you feel the assessed value is accurate or not, if you don't feel it's accurate you should be challenging your assessment.

MR. SALMON: But you're saying to me that moving forward I'm still going to be hurt for the next five years. Why?

CHAIRMAN NICOLELLO: That's the way this proposed phase in is going to operate.

MR. SALMON: Do you think that's fair, Mr. Nicolello?

CHAIRMAN NICOLELLO: It's going to delay the increase for some people delay the decreases for others.

MR. SALMON: I mean, do you think it's fair? Right? If you are going to change the price of gasoline, you don't see gasoline that much different in price where ever you go.

But with you, there is a big difference. Why?

CHAIRMAN NICOLELLO: Thank you, sir.

MR. SALMON: You're welcome.

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CHAIRMAN NICOLELLO: Gary Wargo.

MR. WARGO: Good evening. My name is Gary Wargo and I live in Floral Park Centre.

Presiding Officer Nicolello is my representative. His office has copies of all the documents that I will be talking about.

I received my '20-'21 tax assessment estimate in September of 2019.

It raised the assessment on my house by approximately 67 percent from 340,000 to $590,000.

I grieved. I gave them five comparable sales in the area that were less than that amount for similar houses to mine.

The end of October, I received a phone call from a Gloria Gianacci from the Assessment Review Commission.

She said she was disregarding my comps. She said she did some of her own. And offered me a four percent reduction of $25,000 to $565,000.

I asked her if I could get a copy

of the comps that she used so I can compare them. That's all I was asking. She said she couldn't send them to me but I can request them in writing.

She sent me a link. It was a foil request. A month later, the end of November, I get a denial back from the Assessment Review Commission.

The denial said -- actually there were two emails. The first one said basically that the opinion, the assessment opinion is that of the assessor and that they couldn't give that to me.

The second said that the county then maintained these records.

I called her four times, left voicemails, she never answered the calls. Three weeks later, I heard from another person from the assessment who said you can appeal it to the county attorney which I did.

In January, I get a reply back from the county attorneys saying that they were right to deny my request for this information based upon a ruling in the court in Michigan in Court 20 years ago.

This ruling said that they were not required to give this information. It did not say that they were not allowed to give this information.

To add insult to injury, in January I get a letter from the Assessment Department saying we're for '21-'22, we're going to reduce your house by $55,000 to $535,000.

I brought that to the Assessment Review Commission and their answer was basically eat shit and die.

CHAIRMAN NICOLELLO: Robert Orosz.

MR. OROSZ: Good evening members of the County Legislature. My name is Bob Orosz. I have been a homeowner here in Nassau County for about 30 years.

I'm also a former member of the residential assessment reform team for Nassau County.

Currently the property tax bills

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issued by the county are the only bills that do not quantify or explain how the numbers are formulated, unlike a utility, credit card or even your water bill.

Now what has the county done to correct the problem? Nothing more than change the rules of the game in a so-called reassessment reevaluations.

By changing the numbers used to calculate one's property. First by changing the level of assessment from .25 down to .1, a difference of 250 percent.

The second is suspending the New York State tax cap on raising assessed values six percent per year or 20 percent over five consecutive years. Which was the only protection homeowners had against runaway increases in assessed values.

Those changes gave the county the ability to raise property tax values by 100 percent or more. This administration along with local news media have blind and vilified the property owners that received reductions in the past by stating that we

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somehow tipped the scales in favor of one group over another.

This evaluation can't be any further from the truth. All we've done is correct the erroneous values placed on our properties by a poorly run Department of Assessment.

I have another question. The news media came out with media increases in phase-in if it goes through a $485 over five years.

Yet, it says here that if the increase doesn't go through the phase-in, that the first year you're going to be -- the increase is going to average $1,632.

After five years of 585, you are a little over a thousand dollars. Where do you get $1,632? How is that calculated? What do you have a wheel or the Ouija board is broken or something? I don't understand. How did you come up with that number?

After five six years, using 485, I didn't even approach that number.

I got to go seven, eight years

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out at 20 percent each year to even come close to that number.

Can anyone answer me? After 1632 for the first year, what's my bill going to be the second year? The third year? Are they going to work on top of that?

CHAIRMAN NICOLELLO: Mr. Moog, actually that brings up a good question?

How did that work out in terms of the median increase with the phase-in and without the phase-in? One is 485 the first year as opposed to without the phase-in 1600.

If it's a five year phase-in, the 20 percent each year, how did it work out?

MR. MOOG: The exemption creates an exemption for the five years. So when every property receives the exemption it also changes the tax rate because you have less taxable value. So there's a counter balance to it. So it doesn't go on a straight basis, it goes like on a curve because of the change in the tax rate each year will occur as lots of the exemption

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rolls off.

As you know, exemptions are tax expenditures so as they roll off the tax rate itself will drop so you have to raise the tax rate to pay for the exemption, and every year that exemption rolls off so there's two counter-balancing factors going on. The exemption rolls off but the tax rate is also changing at the same time. So it's not a direct line.

CHAIRMAN NICOLELLO: It doesn't look like it wouldn't equate to a 20 percent difference each year.

MR. MOOG: The value might be phased in 20 percent but you also have the tax rate change at the same time.

It's two different things occurring. That's why it doesn't appear to be like a straight line when it goes on that.

MR. OROSZ: It's going to be a double whammy. If you can't get it one way and can't seem to have people vote for this phase-in, you're going to jam them at the beginning. This is how you're going to treat us. Right? Very good. Thank you.

CHAIRMAN NICOLELLO: Thank you, sir. Steven Heend.

MR. HEEND: Good evening. My name is Steven Heend. I'm a New York City attorney who was recently moved to Long Island, specifically Country Point in Plainview.

I think it's very admirable that Ms. Curran has this plan that's going to help people deal with their increase in taxes, over five years they will gradually pay higher amounts.

However, my understanding is, that people with new construction do not qualify for Ms. Curran's plan and, in fact, not only do they -- not only are the properties assessed at this new reassessment value, but they pay a much higher amount.

I know of one person whose assessed valuations is $25,000, but he's going to be paying $38,000, and then gradually go down over five years.

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I know of another person who is going to start his valuation, I'm not sure, his valuation is like $27,000. He's going to start at $42,000.

Country point is all new construction. Presently the units sold there are about 420. Ultimately 660.

I know of ultimately 660 people who would not like the idea they have to overpay, not pay their fair amount, but overpay.

I think it's a disgrace that you are trying to eliminate one injustice by creating another one.

I'd like to know whether or not there is any explanation for the treatment of another category of people living in Nassau County. Mr. Moog?

CHAIRMAN NICOLELLO: Do me a favor, going forward direct the questions to us.

MR. HEEND: I'm sorry.

CHAIRMAN NICOLELLO: Mr. Moog, you can answer. I just don't want to make it confrontational.

MR. MOOG: When the exemption was being formulated, we had to make sure the exemption was in sort of the same parallel path as the current phase-ins, on 1805, the 6 and 20, as well as the phase-in on the commercial properties exclude physical changes. Just as physical changes were excluded during the frozen roll.

The same thing occurring with Greenberg that they didn't allow physical changes only on changes of market from the reassessment.

So when the law was being drafted in the County Executive's office, they were conscious of the fact, they wanted to make sure that they kept on the same sort of path to make sure the law wouldn't be tripped up by anything in Albany.

So when they crafted the law they crafted it to be the phase-in on any changes from the reassessment, since physical changes were always excluded for any sort of cap as well as any sort of restriction on any real property tax law.

New construction is usually handled through a whole different set of new parameters.

So when this law was going forward to make sure of its passage, they wanted to make sure it was in the same sort of vein or same sort of light as 1805 as well as 485, handle in Greenlawn, that physical changes were excluded from the physical change, from the exemption change.

MR. MILES: Remaining consistent with the Real Property Tax Law.

CHAIRMAN NICOLELLO: So the new construction doesn't get the benefit of the phase in or it's just calculated differently?

MR. MOOG: It doesn't benefit from the phase in.

MR. HEEND: Well, since most of my time was used up with the answer from Mr. Moog, I suggest that legislators who are going to be voting after this hearing on Ms. Curran's plan, vote against it, because people such as me and owners of new construction are being harmed by this plan and that a new should be developed if not in Nassau County then in Albany. Thank you.

CHAIRMAN NICOLELLO: Follow up, Mr. Rhoads.

LEGISLATOR RHOADS: Just one. I know the question was referring to what the condominiums, but actually condos and co-ops aren't part of this phase-in plan at all, correct?

MR. MOOG: If it's tax class one on a condominium under three floors it would be in the phase-in because it's tax class I.

Co-ops are not, tax class II, but on condominiums, if it's tax class I condominium, it would fall within this law.

CHAIRMAN NICOLELLO: Mr. Margolis.

MR. MARGOLIS: Good evening, Presiding Officer, good evening Legislature. First off, to go on the point of Country Point. Country Point had people move in in 2018 who are on the '20-'21 assessment roll.

They are on the roll. They have valuation.

None of those people were included in the tax numbers for Plainview. So you're saying they're the highest people, that whole development is not included.

There are sheets, the new sheets that went out, they say zero. Yet they're on the roll for '20-'21.

So all the numbers are now distorted because you're talking about 400 homes each paying $20,000 in taxes in that area.

Why are those numbers not included in Plainview? Yet they're on the roll for '20-'21. I have them right here. I looked them up.

Number two, how is anybody supposed to pay $42,000 in taxes that I paid this year when I'm supposed to pay $23,000 in taxes? We're not talking about a difference of $1,600 here. We're talking about $19,000 I overpaid. That means I have to earn $70,000 to pay property taxes to live on point two acres in Plainview. Not two. I said "point two" with no sidewalk and a driveway that could barely fit two cars. Okay? This is out of control.

Anybody that votes for this phase-in is a thief. A thief.

If you vote for this you are a thief. This is being recorded. Okay?

You are voting to say it's okay to steal from this house to pay for another house. It is theft. The Taxpayer Protection Plan put out any Laura Curran is a plan of theft.

We didn't even discuss. This thing is non-constitutional. 485U on its face is unconstitutional.

Can somebody show me reports from multiple constitutional, independent, constitutional attorneys to tell me that this statute is even constitutional?

Don't you think that Nassau County should have done that to say that this statute is even constitutional?

Just because they write a law in Albany does not make it constitutional. I think we all know that, right?

Legislator, I'm sorry I forgot your name, talked about it over there. He talked about exactly about how we're talking about a tentative assessment roll, comparing a tentative assessment roll. If something is tentative, I discussed this here before, it means no one had a chance to argue against it. What does that mean? It deprived everybody single person in Nassau County of due process.

Everybody is entitled to due process. You can't use a tentative assessment roll. This plan is unconstitutional.

We can go on and on and on and on. This thing -- why the difference in 45 and 55? It's because the 45 didn't include the thing that switched. They did not include new construction.

When they first had this plan, these numbers didn't go in. Then they bumped new construction up, if you're supposed to pay 23 you start off at 38.

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Your first time that you are being assessed is '20-'21 and your fair assessment is 23, but we're going to charge you 38.

How can you release numbers when you don't even include 400 homes that are going on an assessment roll? I'm just saying, we created this plan. I've been hearing it for 15 months. I've been under duress with a gun against my head. How is my family going to survive?

All I've been hearing about, well, we're going to raise these people up in taxes and everybody is going to be forced to sell their home, half of Nassau County.

It's the other way around. It's the people that are being overcharged $20,000, 18,000, $17,000 and are going down that can't afford to pay this money. Not the people that are going up a thousand dollars.

Who in Nassau County can't afford $1,000 increase? I want to know the ends of the spectrum, okay? Let's assume that everybody can afford a $5,200 a year increase, it's $100 a week. They'll figure out how to pay $100 a week.

How many people are overpaying $5,200? How many people are under paying $5,200? And I guarantee you by five to one there is more than -- five to one paying over $5,200 because the new homeowners are subsidizing everybody else. That's what this plan calls for.

We have to make up for the injustice. We have to make sure Laura Curran gets re-elected and that's why the plan was proposed because if 50 percent of the people are going down, those people are going to vote democratic or republican, however they vote.

But everybody that is going up, right, everybody that is going up, all they care about is their pocket. If they go up a thousand, $1,500? What happens that year? One year after this goes into place? Laura Curran is up for reelection.

So it's a lot better if she can

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sneak it in at $400 where the median is than $1,600 where everybody will say, I can't vote for her.

That's what we are looking at. We're looking at a plan that calls for somebody to get re-elected, not for protecting the citizens, not for putting party politics aside.

Every single person could have spent the last 15 months going to the state to maybe raise some money to subsidize this. We do over pay in Nassau County over $500 million a year in excess to the state.

Maybe they should help pay for this. I can't pay for every single person's taxes.

CHAIRMAN NICOLELLO: Thank you Mr. Margolis. There is actually a bill by Senator Ra that would provide a credit for those that should be decreasing which we have been supporting and we will continue to support that.

MR. MARGOLIS: Well, Laura Curran wrote in a statement in the newspaper that thing will never pass and she will never stand behind it. That's what was in Newsday.

CHAIRMAN NICOLELLO: I don't understand that. Maybe she felt it was never going to pass, but why wouldn't she accept it?

MR. MARGOLIS: I was here and argued that. I don't understand why everybody wouldn't turn around and support something like that. And bipartisan go down and argue in Albany. I was even here and said I would go myself and argue but this is where we are at unfortunately.

If this thing passes, whoever votes for this -- put a piggyback on your desk, when you decide where you go to vote, that's my kids money. If you vote yes on this you are stealing my children's money, so look at that piggyback bank and remember that.

Mr. Roland Skemer.

MR. SKEMER: Good evening. My name is Roland Skemer and I live in

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Plainview and I fall in the same situation as some of the people who spoke before me.

Moving into a new dream home for my family, we worked hard, we saved, we did everything we could to do that.

I knew my taxes were going to move up to the appropriate rate for what a new construction home in Plainview should be. Mid 20s or so was what I anticipated still very high, but this is the price of living on Long Island and in certain neighborhoods. And budget accordingly.

As soon as the Taxpayer Protection Plans came out to see that my rate that I should have without the taxpayer plan was $25,000, I was like, all right, I did my math correctly.

Then to see with the Taxpayer Protection Plan that's supposed to help taxpayers, it would jump up to almost $39,000. That's a ridiculous number.

Again, everyone's situation is different. I can understand where someone paying $1,500 might be too much for them.

Someone paying $5,000 might be too much.

An additional 13 or $14,000 over what I should be paying to subsidize every one else, I can't do that.

And to make matters worse, I can't sell my home. Who is going to buy my home with $40,000 in taxes in Plainview. I don't live in a gated community. I don't have a pool. I don't have a guest house. I don't live in Muttontown. It's not feasible.

It's literally ruining families. That's pretty much what I have to say.

CHAIRMAN NICOLELLO: Just a point of clarification. Were you in the same development that was addressed or a different part of the Plainview.

MR. SKEMER: It's a house like mine.

LEGISLATOR RHOADS:

MR. HEEND:

CHAIRMAN NICOLELLO: Okay. Elaine Licari.

MS. LICARI: My name is Elaine

Licari from Floral Park, New York.

Before I give your my venue, I would like to thank the Legislature and especially for Presiding Officer Nicolello for demanding transparency. You are the Taxpayer Protection Plan. You are.

When I moved here about five years ago, I knew that I was going to pay higher taxes than where I was before. Triple. But that was okay. I could have lived cheaper down in Florida, but I wanted to live near my children, all of who live in Nassau. But then when I saw what happened with the new assessment -- by the way, when I bought my house, it was up for sale for quite a while before I gave them an offer. They did not get their asking price.

I paid $490,000 for my house.

Then with the new assessment it came out $632,000.

That's not five percent. That's not a ten percent increase.

So I went to the department personally and I told them I was not accepting it.

I asked for a face-to-face because I did my own comps.

First of all, the website is horrible. I'm not a computer expert, but if you put an address in it says no property found. You have to put the section block and lot number. You can't find it just by the address. So forget that.

So I handed this in saying I did not agree with this assessment.

I got a call from a woman from the department saying, well, we'll lower it to $560,000.

I said rather than go through a big battle, I accepted it. Mailed in my form.

But I never saw the change in the assessment. So I went there again in person.

I filled out another form and I handed it in.

But low and behold it still comes out to $603,404 dollars.

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So why did I agree to the $560,000? This is bait and switch. This is absolutely insane.

First of all, all the houses on my block were built about the same time and I believe by the same builder.

But there were such a disparity in the valuations of the homes and I seen now that they're a little bit better.

But most recently there were two houses on Plainfield Avenue which is a Main Street by the way. I have to wait to come out of my driveway for quite a while before I can get out from my driveway.

Most recently houses sold on 263 Plainview sold April 1st, 2019, for $507,000.

And a house two doors from me also sold for 500 and change, lower 500. I think this is a travesty.

Thank you, and I am saying this to you, Mr. Nicolello, I am a Democrat but I thank you for the transparency.

CHAIRMAN NICOLELLO: I have a

question for you.

After you had received the commitment or representation that it was going to be lowered to 560 or around there, then you found out it wasn't, what did you do?

MS. LICARI: They never changed it.

CHAIRMAN NICOLELLO: Did you ever speak to anyone at the Department of Assessment?

MS. LICARI: Not yet.

CHAIRMAN NICOLELLO: Do you know who you speak to the first time?

MS. LICARI: A woman. I think her name was Jeana or something like that. I have her recording on my phone. I still have it. I went to two different seminars on this. One in Floral Park Library. I couldn't get in, because I needed help.

I do have comps but not from the Nassau website.

That Nassau website is very difficult to use.

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CHAIRMAN NICOLELLO: I agree 100 percent. Have you challenged your assessment this year?

MS. LICARI: I will.

CHAIRMAN NICOLELLO: Do you have one pending?

MS. LICARI: I didn't yet, but I will, I definitely will. April 2nd. Thank you very much for the demand of transparency. I will forever appreciate it.

Because now I can live near my kids instead of moving to Florida where I don't know anybody.

CHAIRMAN NICOLELLO: Thank you very much. Robert Ingwer.

MR. INGWER: Hi. Thank you very much for the time. So I'm a resident of Plainview. Just moved there in 2018.

I'm in a very similar boat as Mike and Roland over here. A new family, young family moved to Plainview. Bought a new construction home and was shocked with the level of the increase in my tax rate and my taxes. To the point where we're thinking of splitting because I feel the same way.

You're taking it from me and my family and my kids to subsidize everybody else.

So I'm paying for my neighbors.

Based on the Taxpayer Protection Plan, which is typical of government, right, to misnomer it, I'm going to overpay by $70,000 in the next five years, out of my kid's mouths, college education, camp, school, whatever it is I want to give to my children is going to be taken from them and out my pocket that I have to work for to make up. How is that okay?

I don't mind paying my taxes. I get it. I bought an expensive home. I bought new construction. My taxes are going to be higher than other people here. I understood that going in.

But the level that the taxes went to is becoming a struggle. How do I save money? How do I put money away? How do I survive?

Does anybody do the calculation

of how much you have to make to make up that money so you are not under water for the next five years? I bet you no one here has a budget. Nobody calculates how much you make and how much you spend and put away at the end of each year. I do. My wife and I sit down with a spread sheet every single day and talk about it.

We've calculated how much money is going to come out of our pockets for this.

Instead of feeling good about coming to a neighborhood which we love. We love Plainview. We met wonderful friends with wonderful families, you're driving young families like us away.

Instead of encouraging us to come here, because, look at us, we are the future of this town. We are the future.

Our kids are the future.

Which are the future taxpayers of this town. You should want to encourage people like us to come here to live here. To feel like, you know what, it's a wonderful neighborhood, that, yes, it's expensive, great schools, but going into it you understand that you are going to pay what you believe is fair, what you believe is appropriate.

And based on this new plan and what's about to be passed, I'm sorry, but it's just not. Thank you.

CHAIRMAN NICOLELLO: Mr. Moog or Mr. Miles, the issue of these Plainview homeowners, is it because of the way new construction is factored into -- not factored into the phase-in, is that what is creating these extreme results?

MR. MOOG: That's correct, because the legislation was drawn to be parallel to 1805 and, the legislation, physical changes were not granted the exemption going forward because the belief was that it wouldn't pass through Albany without having been consistent with our law.

CHAIRMAN NICOLELLO: Is there a way --

CHAIRMAN NICOLELLO: Mr.

Margolis, if --

MR. MARGOLIS: No. You should be arrested. I work damn hard. I work hard -- when you have to pay $42,000 for something that cost $23,000. You would be in the same position that I am in.

CHAIRMAN NICOLELLO: Did you hear the question, Mr. Moog?

Mr. Rhoads, would you like to ask your question?

LEGISLATOR RHOADS: Yes, I would. I'm going to try to cut to the chase on a lot of these questions, and, Mr. Moog, I think based on some of the comments we just heard, the County Executive may want to reconsider whether she's calling this a Taxpayer Protection Plan.

If she's going to do that, she needs to explain how this protects somebody like Mr. Margolis, or somebody like Mr. Salmon or many of the other residents that got up to speak here.

Doesn't sound like they're getting protected by this.

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With respect to the transitional phase-in and something that wasn't mentioned today, that I also want to ask, how is Super Storm families since my district is all along Long Island's South Shore.

How is a family, for example, was told by the state that they're mandated to elevate their home or decided to participate in the optional elevation program because many of that -- much of that construction is still going on.

How does this transitional phase-in plan protect them or does it?

MR. MILES: Well, there was an initial protection under 1803B possibly of the Real Property Tax Law under Governor Cuomo's plan to protect individuals affected by Sandy when they were getting their improvements.

So I believe those were phased in over time, another phase-in, and I believe that includes lifting.

So that took place, this is before I arrived here, but I believe for four five years until it was phased out.

LEGISLATOR RHOADS: But the problem is there are still homes being lifted now, was that considered at all?

MR. MILES: The thing is, dependent upon the lifting and what type of construction is being included, if there's lifting and little livable square footage that's in there, there is a difference between lifting for the purpose of lifting.

So each person's construction is going to be different so giving you a blanket statement doesn't really help in this situation.

If it's lifting without the increase in liveable square footage it's --

LEGISLATOR RHOADS: What if their square footage doesn't change at all? Let's say just the fact of lifting and now their house is storm resilient, it increases the value of their home by 100, $150,000?

MR. MOOG: If the lifting doesn't increase the square footage?

LEGISLATOR RHOADS: If the

lifting doesn't increase the square footage.

MR. MILES: I think it would have to increase the square footage. I don't know if it's possible without adding square footage. It depends on the livability, what type of living area is in there.

LEGISLATOR RHOADS: The first floor in Sandy homes is not supposed to be livable space, in other words, you can use it as for --

MR. MILES: Some individuals will have.

LEGISLATOR RHOADS: You can use for storage but can't use it as liveable space. However, for homes that are now storm resilient, there is a value assigned to that.

What many of these homeowners are finding is that the market value of their home, even though the liveable square footage is not changing, the market value of their home has increased. When that increase is reflected in our assessment, they're not part of any phase-in plan.

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MR. MOOG: It depends if the value is increased it would call a physical increase, a new construction increase or if it was increased because we looked at the market value increase.

I would have to look at the property, the property, as I understand it, there are a lot of different variations on Sandy properties. Some properties that were raised became more valuable but it wasn't put on as a physical increase, it was just put on the market value increase.

Sometimes if you receive some physical and some market value increase, the physical portion would not be phased in, but the rest of the market value would be.

Sometimes it would receive a partial exemption based on how much of the value of the property increased because of market value change compared to actually new construction values. So it's case by case.

So certain properties have a lot of market value change and very little new construction change from being raised; other ones, vice versa, depends on the ratio that occurred on each property.

Sandy property is very different because that's why we have a certain staff especially assigned just to do Sandy property because there are so many different variations that occurred.

LEGISLATOR RHOADS: Thank you. With respect to how the phase-in is going to work, I think where we left off in our questioning was, you were talking about the utilization of tentative figures as opposed to final assessment roll as the starting point for this transitional phase-in plan.

Using your example from your power point presentation of a home with a $500,000 market value, the pages aren't numbered on the paper copy of your plan, of your presentation, and I think it's page nine.

MR. MOOG: I have it here, yes.

LEGISLATOR RHOADS: How is the taxpayer protection exemption calculated? Let's use that same $500,000 home.

What happens if -- we're taking a home with a value of $400,000 and saying it's worth 500.

Let's assume that for the purposes of this example?

MR. MOOG: Okay.

LEGISLATOR RHOADS: The exemption base then is set at the $500,000 value because it's based on the tentative roll, correct?

MR. MOOG: The exemption is calculated off the $500,000, yes.

LEGISLATOR RHOADS: Let's assume there is a successful challenge, that they grieve their taxes, either at ARC or the result of the final SCAR proceeding. There is a determination that the value the home is $425,000.

MR. MOOG: Okay.

LEGISLATOR RHOADS: However, the exemption is still going to be based upon the $500,000 value.

MR. MOOG: The exemption will still be $80,000, correct.

LEGISLATOR RHOADS: So at the end of five years because $20,000 is being taken off every single year, that home with a value of $425,000 is only going to be taxed on $350,000 worth of value.

MR. MOOG: In the first year, yes, it will get the reduction. So it receives the entire benefit of the reduction in that first year where if we recalculated the exemption based on the reassessment from ARC or from SCAR, they would have to wait five years to be realized, that entire reduction over five years, and that was the decision-making process made by the County Executive at the time that people, received a reduction, should receive the full benefit of the reduction in the first year rather than wait the five years.

LEGISLATOR RHOADS: So in year one, what that individual's taxes be?

MR. MOOG: The taxes would be based on 425 minus the $80,000.

It would be, if you do the calculation, late in the evening, trying to get a number. 75,000 less, that would be --

LEGISLATOR RHOADS: 425 minus $80,000. Based on a taxable assessment of 345.

LEGISLATOR RHOADS: Right. The point is, the value of their home is four and a quarter, but they're only being charged at 345,000.

MR. MOOG: Yes. 345, because of the exemption, yes.

LEGISLATOR RHOADS: By using the tentative values, you have created a situation where we over valued their home and they're successful in getting a grievance, then they're actually going to be paying less than what they are supposed to be paying after that adjudication.

MR. MOOG: For that one year, but over the five years it would still be the same.

LEGISLATOR RHOADS: It would eventually even out?

MR. MOOG: It will even out because if you did the exemption based on the 425, then they would only be receiving a $5,000 exemption and then they would have to wait five years to receive the full benefit of that reduction over the five years.

MR. MILES: And the rest of the five years increases and decreases are rolled into it immediately.

MR. MOOG: But the idea was that if you received a reduction, you received the benefit of the reduction immediately rather than wait for five years.

MR. MILES: And future years as well.

LEGISLATOR RHOADS: But the problem with that was that when that homeowner is supposed to be paying 425 is only paying 345 because it's based on the tentative roll, the burden shifts to the remaining homeowners in that area, correct? Zero sum game.

MR. MOOG: Yes, you're correct on that.

LEGISLATOR RHOADS: So that's using a $500,000 example.

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Let's take this and extrapolate it to homes for example on the North Shore, homes where under questioning by Legislator DeRiggi-Whitton you indicated that some of these high value properties on the north shore, the assessments that the Department of Assessment came up with "to use your terminology" were indefensible.

So what happens when you have a home that's valued at $5 million that they successfully grieved to $4,250,000?

MR. MILES: Just a correction.

LEGISLATOR RHOADS: That's a $750,000 burden that's going to shift to other homeowners in that area; is it not?

MR. MILES: Indefensible.

MR. MOOG: It is correct but you have to realize that that burden then shifts back over the five years.

In the end if we did it from the tentative roll, you still have that shift to be spread over five years, this way you get it in one year.

In the end, the tax burden over

the five years is still net zero. It just depends if you receive it in one year or over five and that was the thinking of the policy.

LEGISLATOR RHOADS: But for the person that's writing a check in year one, my taxes are going up because we decided to use a tentative value and I happened to be this individual's neighbor because he's basing his taxes on a value that's deflated because we decided to lock in the rate at the tentative value as opposed to the actual value that the home has determined through the grievance process.

MR. MOOG: In year one, but that would be offset in year two, three, four, five.

LEGISLATOR RHOADS: But that doesn't help me pay my taxes in year one.

MR. MOOG: Well, this was, again, what the policy decision was, and why we made that policy decision. It was so people who grieved would realize the entire reduction in the grievance year rather than

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wait for five years.

Over the five years, the net effect is still the same over the five years for the griever and non-griever.

MR. MILES: Just to put this on the record, the indefensible is a mischaracterization.

LEGISLATOR RHOADS: I would have to go back into the transcript.

MR. MILES: I'm just saying from the department's standpoint, we believe our values are accurate.

LEGISLATOR RHOADS: I'm not sure whether the terminology was not defensible or indefensible or what was used, by clearly I think there would be a concession that on some of these high value properties the Department of Assessment fell short of its accuracy goal. Would that be fair to say?

MR. MOOG: In any reassessment you are not going to be 100 percent accurate on every property so that's the reason why you have the adjudication process at ARC.

LEGISLATOR RHOADS: But the

reality is that residents that have successful challenges will enjoy the benefit of an outsized exemption base based on the decision that we were going to use the tentative roll as opposed to using the final roll, correct?

MR. MOOG: They would receive the entire benefit of the reduction in the first year rather than waiting for five years. Again, that was the thinking of why the policy was set that way.

LEGISLATOR RHOADS: Which means that they're receiving more of a benefit in year one than they're entitled to, correct?

MR. MOOG: They received the benefit that the law entitles them to in that one year, and, again, as I said before, Mr. Rhoads, the benefit was decided that you would receive the entire benefit the first year rather than wait five years, still zero sum game over the five years.

LEGISLATOR RHOADS: But it's still a zero sum game in year one.

MR. MOOG: In year one, yes.

LEGISLATOR RHOADS: It means that ultimately, as has been alluded to here, the people who are -- other people will be subsidizing that particular homeowners' taxes?

MR. MOOG: In year one, yes, anyone who wins a grievance, the remaining people would making up the difference, yes.

MR. MILES: But then they don't receive the benefit of the reduction in year one, so we just phase it in, so they don't get the benefit of receiving their administrative remedy. That's the difference.

LEGISLATOR RHOADS: Mr. Margolis, I'm not the Presiding Officer, but we can't have people shouting out, all right? You had an opportunity for public comment. We've got an opportunity to ask questions perhaps at the conclusion of this.

CHAIRMAN NICOLELLO: No, no. If you keep shouting out, we're just going to let everyone go home. Mr. Rhoads can finish up.

LEGISLATOR RHOADS: I'm going to finish up. To go back to the topic of Prognose for example for a moment.

Do you recall what we actually paid for the Prognose software? It was about $970,000, correct?

MR. MILES: The first year and that included installation and the first year license. Then, after that, 530 and 525, I think you can quote me on that.

LEGISLATOR RHOADS: We paid the $530,000 for this year, correct?

MR. MILES: No. We are still going through, this is year two of the contract, so we are still invoicing every quarter.

LEGISLATOR RHOADS: But at the conclusion of this year we will have paid for $530,000?

MR. MILES: Yes.

LEGISLATOR RHOADS: So, essentially, one and a half million of taxpayer dollars has been spent on this Prognose system, correct?

MR. MOOG: Correct.

LEGISLATOR RHOADS: The administration at the time the Prognose system was brought to us for consideration, they circulated a memorandum that was sent to us which indicates the County Executive has embarked on an initiative to provide taxpayers with transparency regarding the process of valuing homes.

"The Department of Assessment realized that current systems did not have the availability to generate, they used the word comprehendible reports, that would assist taxpayers in understanding how the Department of Assessment assesses their properties and administers their values because the Department of Assessment lacks such technology or reports, the Department of Assessment employees had a difficult time explaining the system in answering taxpayer questions which has left the county's taxpayers even more frustrated and confused.

Lacking sophisticated programming, the Department of Assessment was unable to provide comparable properties to the taxpayer which justified their property's value making the assessment process seem all the more inequitable and puzzling to taxpayers.

Jumping ahead two paragraphs, unlike any other assessment modeling tool, Prognose does not mask the means and method used to develop values.

The Prognose software enables staff, especially outreach, to demonstrate to taxpayers the comparable sales utilized and adjustments made to generate assessed values.

It is the department's opinion based upon the customized models and open platform and process available in Prognose that this is the only tool on the market that can quickly and effectively generate a valuation package that is comprehendible to taxpayers."

That's what was put out by the administration and the Department of Assessment to justify the use of Prognose.

It wasn't about what was easy. It was about transparency. It was about making sure that the taxpayer understood exactly how the Department of Assessment calculated the value of their home so that they could be used as a tool in evaluating, one, whether they should grieve, and, two, how they could go about the grieving process and build their case if they felt their assessment was wrong.

Isn't it true that that was one of the additional motivating factors behind Prognose?

MR. MOOG: Yes, it was.

LEGISLATOR RHOADS: Why is that no longer a motivating factor today? Why is transparency no longer important?

MR. MOOG: The transparency was used in '20-'21 roll where we did provide the comparables and the entire assessment ladder.

Upon completion of that tax roll, the decision was made by my office, by me, that we would try to see the most accurate

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way to come out with the '21-'22 assessment roll.

From that analysis we decided that using a trend, based on the school district, utilizing the Assessment Review Commission decisions that we would have on hand, which would be fine tuning basically what the model did, as well as taking account high value and the physical properties, we would generate the '21-'22 roll using a common method that is used throughout the state and throughout the country.

The results of that roll like I stated before came out to a roll that was even more accurate.

The ability for taxpayers to grieve has not been abridged by this nor has the availability of data that would be used by the taxpayer knowing that it was based either on the prior roll, in which the ladder is still being provided, or based on the comparables that were provided at ARC which the taxpayer himself or the taxpayer representative provided, which would be the means of which the property is valued.

The trend was basically looking at the sales of each school district and those sales are available and the trends we will move to have those trends put on the assessment roll.

In the end, taxpayers will still be grieving on the individual assessment based on the individual comps but in the bottom line we still came out with a more accurate roll using this trended method.

In the future, we were deciding if we would be using the trended or combination trended or a hybrid using Prognose, but we will be using Prognose to defend the '20-'21 roll which we would not be able to do without the Prognose system, because it's a muti-faceted tool that can be used in many different fashions.

LEGISLATOR RHOADS: Your intention is to use Prognose to defend the county?

MR. MOOG: On the '20-'21 roll.

LEGISLATOR RHOADS: As opposed to the stated intention of Prognose which was to use -- was for taxpayers to use Prognose as a tool to be able to understand how the county achieved its values.

MR. MOOG: One of the stated rolls, and I also stated in that testimony, that we would also be using it to SCAR, and the '20-'21 roll, where we did put the ladder on in the comparables, is the same roll that we're using for SCAR, so it's the same use of the same tool on the same assessment roll.

LEGISLATOR RHOADS: Mr. Moog, do you believe that the taxpayer has a right to understand how the county achieved the values that it determined by the Department of Assessment?

MR. MOOG: Yes, I do.

LEGISLATOR RHOADS: Without the use of the Prognose tool, how is the taxpayer supposed to do that?

MR. MOOG: The '20-'21 roll, which they have the full set of analysis for

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was trended, so if we wanted to know how we came up with the value, we took the prior value and trended it up.

LEGISLATOR RHOADS: Where are the percentage neighborhood values demonstrated for the taxpayer?

How is the taxpayer supposed to know what the factor increase was as determined by the Department of Assessment for their particular school district?

Where is that information available?

MR. MOOG: We will be posting on line but it's simply the fact -- don't interrupt me Mr. Rhoads. I said it's simply the fact of taking the '20-'21 roll, taking the '21 roll and minus one figure against the other and you know how much the value went up. It's simple trend.

When we explain this in our community outreach, we had no problem with the taxpayers, they were actually very pleased with the explanation.

We did speak to over a thousand

taxpayers over the past two months on this topic and saw no objections to that.

LEGISLATOR RHOADS: So out of 383,000 residential homeowners you spoke to a thousand?

MR. MILES: The conversation keeps on coming up regarding SCAR, and that they don't have the ability to see the comparables for the '20-'21 SCAR, I don't understand that point because they do have it for the '20-'21 SCAR and they can see the comparables for the '20-'21 SCAR and they can challenge it, the '20-'21 SCAR for this year based on what was posted online.

LEGISLATOR RHOADS: Mr. Miles, last year when ARC conducted its seminars on how to grieve your own taxes, in those seminars, taxpayers were instructed that they can go to Prognose to find the comparables that were used to determine the particular value of their home.

MR. MOOG: As well as Arrow, yes.

LEGISLATOR RHOADS: Right. And they were also shown or should have been shown the ladder report so they can see exactly how the value of their home was built, correct?

MR. MILES: Yes.

LEGISLATOR RHOADS: Prognose is still present and available on your website, correct?

MR. MOOG: For the '20-'21 roll, yes.

LEGISLATOR RHOADS: But those values are not accurate with respect to the '21-'22 roll, correct?

MR. MOOG: The '21-'22 roll is a simple trend from those figures.

LEGISLATOR RHOADS: I understand, however, if it were not for the fact that we raised the issue today that the trends weren't available on the county's website, since January 1st, so approximately for the last 70 days or so, the people have had their right to grieve their taxes, they have no idea how the Department of Assessment actually built its roll for this year, correct?

And the information that's present on the county's website, because Prognose is still up there and still hasn't been updated actually is wrong?

MR. MOOG: Prognose number was for '20-'21 and the '21-'22, all taxpayers received a notice of what the new figure is, and you, as a taxpayer, would see that increase five, four, three, two, one percent, and you would make your judgement call to see from the comparables being provided on the Arrow System if you should be grieving. That's how it's done in almost every other jurisdiction.

LEGISLATOR RHOADS: You were saying that by taking a look at my specific taxes I can calculate how much the increase was for my particular home?

MR. MOOG: Yes. You receive a notice -- not the taxes, the assessment, you do see the prior value and the current value.

LEGISLATOR RHOADS: Great. How am I supposed to know as a homeowner that

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that percentage increase doesn't apply to just to my home but applies to the entire community, my entire school district?

MR. MOOG: You only grieve your home. You don't grieve the community, you don't use comparable assessments.

LEGISLATOR RHOADS: But the point of this, Mr. Moog, of Prognose, initially, the memo you sent out, was to provide additional transparency so the homeowners could understand the math, so that homeowners can understand how it was that the Department of Assessment achieved the value you are saying my home was worth, how am I supposed to do that if I don't how it was actually built?

If you don't provide me the explanation that you simply took a trending analysis as opposed to determining the value of my individual home, if you simply looked at my school district and said, generally, prices in Wantagh or prices in Bellmore or prices in Merrick went up by four percent, five percent, six percent, how am I supposed to know that it's not the value of my home, that it's the value of every home in my school district that was used to determine that number?

MR. MILES: I'm under the impression that this was put out there through our communications team from the County Executive's office and that this was a Newsday article about a month and half ago, two months ago, regarding the trending. I believe this was publically stated.

LEGISLATOR RHOADS: One, I have no recollection of that article.

Two, putting it out in an article in Newsday, with all due respect to Newsday, not everybody reads that, you sent out mailings, in fact we got a nice fancy mailing from the County Executive about this Taxpayer Protection Plan, did anybody think to send an individual mailing to individual taxpayers to let them know that there was a change in the way their taxes were being calculated?

MR. MILES: There was no change

in the way their taxes were being calculated.

LEGISLATOR RHOADS: I'm sorry. I'm not as knowledgeable on the terminology as you. How the process through which their assessment was being calculated had changed?

MR. MOOG: Again, we put a press release out and, again, when a taxpayer receives a notice of assessment, they will see the increase there and it's a slight trend.

As every year, every market value should be changing as it is done in every assessing jurisdiction.

When anyone receives a notice, they would receive the notice and see if the values went up three, four, five percent.

It's irrelevant if they would know if all their neighbors went up by the same percentage, it's relevant to see if their value in the end of the day is justifiable or not justifiable based on the comparable sales or what they believe the property is worth.

MR. MILES: Which included the nuanced logic of including the physicals and what's rolled in, the Assessment Review Commission.

CHAIRMAN NICOLELLO: We are going to conclude in the next ten minutes.

LEGISLATOR RHOADS: So, just out of curiosity, in your opinion, it's okay for the County Executive to spend taxpayer dollars to send out a mailer to every home saying we need Republican legislators to quit stalling and pass the Taxpayer Protection Plan.

But it was not justifiable to spend money notifying those taxpayers how their assessment was being calculated?

MR. MILES: Well, the Taxpayer Protection Plan has to be implemented immediately. It was to be implemented immediately. We made that case.

LEGISLATOR RHOADS: Homeowners are grieving their taxes now. Homeowners were grieving their taxes two months ago when the process started on January 2nd.

MR. MILES: That's correct. Based on the notice of tentative assessment mailed.

LEGISLATOR RHOADS: The time for information to be put out to taxpayers was at the time this grievance process was starting if not before.

If you were changing the rules of the game, Mr. Moog, which is exactly what's happened here, you've gone to a modeling model, as opposed to an actual assessment.

Taxpayers had the right to know that you were changing the method by which you were calculating the value of their home, separate and apart from --

MR. MOOG: Taxpayers, when they grieve, they grieve strictly their value, not the means or the methods to get to that value. At the end you only grieve, and based on comparable sales, from that, from any method that was used, from trend or model, you have the right to grieve based on the value from comparable sales, not on the actual means of how I get to the value.

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LEGISLATOR RHOADS: As a taxpayer, I not only have the right to challenge my value, I have the right to challenge the methodology you used in achieving it.

MR. MOOG: Only if that methodology is arbitrary and capricious.

LEGISLATOR RHOADS: How would I tell if it's arbitrary and capricious, you don't even tell me what it is.

MR. MOOG: Throughout the assessing world, it's the challenge of the value, not on the method.

Only the method is truly arbitrary and capricious.

The method that we employed was not arbitrary nor capricious and in the end the result was a more accurate tax roll. That was my job, to try to put out a tax roll as accurate as possible.

LEGISLATOR RHOADS: But, again, you don't know whether the '21-'22 roll is accurate. You just put it out. We are in the middle of the grievance process now.

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MR. MOOG: I believe it is.

LEGISLATOR RHOADS: You won't know the accuracy of that roll until that process plays out. You may think it's more accurate and I hope you're right, but you might not be.

MR. MILES: At the moment, the statistics say, at this very moment, it's six and a half. It's irrefutable. Accurate at this moment.

LEGISLATOR RHOADS: Those statistics have not been tested by the reality of the grievance process.

MR. MOOG: That is correct, and I believe after the grievance process it will bear out that this is a very accurate tax roll, assessment roll.

LEGISLATOR RHOADS: We will see if you are right some time in September of '20-'21 I guess.

MR. MOOG: Yes, we will.

MR. MILES: We hope we have your support.

LEGISLATOR RHOADS: I have no

further questions.

CHAIRMAN NICOLELLO: I think that concludes the hearing. Thank you, Mr. Moog and Mr. Miles. Thank you all present who came out. That's all we have tonight.

(Whereupon, the Assessment Hearing adjourned at 10:35 p.m.)

C E R T I F I C A T E

I, FRANK GRAY, a Shorthand Reporter and Notary Public in and for the State of New York, do hereby stated:

THAT I attended at the time and place above mentioned and took stenographic record of the proceedings in the above-entitled matter;

THAT the foregoing transcript is a true and accurate transcript of the same and the whole thereof, according to the best of my ability and belief.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of March, 2020.

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FRANK GRAY