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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.

1

2 A P P E A R A N C E S:3 RICHARD NICOLELLO,
4 Presiding Officer5 HOWARD KOPEL,
6 Alternate Deputy Presiding Officer7 DENISE FORD,
8 Alt. Deputy Presiding Officer

9 STEVEN RHOADS

10 DEBRA MULE

11 C. WILLIAM GAYLOR III

12 VINCENT MUSCARELLA

13 ELLEN BIRNBAUM

14 LAURA SCHAEFER

15 THOMAS MCKEVITT

16 KEVAN ABRAHAMS,
17 Minority Leader

18 ROSE MARIE WALKER

19 JOHN FERRETTI, JR.

20 JOSHUA LAFAZAN

21 ARNOLD DRUCKER

22 JAMES KENNEDY

23 DELIA DERIGGI-WHITTON

24 CARRIE SOLAGES

25 SIELA BYNOE

26 MICHAEL PULITZER,
27 Clerk of the Legislature

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LIST OF SPEAKERS

DAVID MOOG	4
ROBERT MILES	24
PUBLIC COMMENT	132

1 Reassessment Update/3-4-20

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

7 (Whereupon, the Pledge of
8 Allegiance was recited.)

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

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

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

21 MR. MOOG: Thank you for that
22 consideration.

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

25 MR. MOOG: Yes. I'm waiting for

1 Reassessment Update/3-4-20

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

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

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

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

21 Last week the foremost renowned
22 appraisal expert in the country, Robert J.
23 Glattermans, provided an analysis of our
24 latest assessment roll published January
25 2nd, 2020.

1 Reassessment Update/3-4-20

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

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

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

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

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

1 Reassessment Update/3-4-20
2 increases in their October 2020 and January
3 2021 tax bills. Without passing the plan,
4 half of Nassau's homeowners will see an
5 immediate and full increase in taxes.

6 This is a fact.

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

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

14 This is a fact.

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

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

25 But County Executive Curran has

1 Reassessment Update/3-4-20

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

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

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

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

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

1 Reassessment Update/3-4-20
2 on time is an enormous and complex process
3 that will take months to complete and
4 properly vet. Let me give you an overview.

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

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

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

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

22 As much notice is needed as
23 possible must be given to the receivers to
24 ensure that they make any and all necessary
25 adjustments to their programming to

1 Reassessment Update/3-4-20

2 accommodate the new phase-in exemption.

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

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

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

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

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

23 Commercial property owners
24 already have a five year phase-in of the
25 assessment increases. Nassau residential

1 Reassessment Update/3-4-20

2 property owners would receive the same
3 protection for 2020, 2021 increases with the
4 passage of the Taxpayer Protection Plan.

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

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

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

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

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

1 Reassessment Update/3-4-20

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

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

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

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

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

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

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

1 Reassessment Update/3-4-20

2 over years.

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

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

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

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

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

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

1 Reassessment Update/3-4-20
2 values kept being decreased by the
3 Assessment Review Commission because the
4 level of assessment being used by ARC also
5 decreased by 2.4, 2.2, then 2.0 and then the
6 value kept decreasing, 294, 259, then
7 246.18, 232.000 in 2017, 2018, and then
8 finally in 2019, when the last year the
9 frozen roll down was down to \$205,200, and
10 the Assessment Review Commission was using a
11 .15 level of assessment while the Department
12 of Assessment still used .25.

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

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

1 Reassessment Update/3-4-20

2 able to have equity among the assessment
3 roll.

4 How did this affect taxpayers?

5 Think of the property tax obligation like a
6 slice of pie. The assessed valuation of
7 your property will be determined by the
8 share of the tax obligation. An accurate
9 reduction reduced assessments equals
10 unfairly reduced taxes.

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

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

1 Reassessment Update/3-4-20

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

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

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

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

24 How will it work? The TPP
25 provides a fixed property tax exemption on

1 Reassessment Update/3-4-20

2 your assessed property value. The plan
3 would phase in any increase in your property
4 value due to the reassessment with a 20
5 percent increase in the value being added
6 each year for five years.

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

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

18 The property value under the
19 broken system was \$400,000. The updated
20 property value of reassessment was \$500,000.
21 Identify the difference between the old
22 assessment and the updated assessment;
23 500,000 minus 400,000 equals 100,000.
24 Divide the difference in value by five, five
25 year phase-in, 500,000 divided by five is

1 Reassessment Update/3-4-20

2 20,000. 20,000 will be added to your old
3 property value of 420 each year for five
4 years.

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

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

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

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

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

1 Reassessment Update/3-4-20
2 range runs from about -- from 1,200 and
3 reduces down to 356, and a high would be
4 2,200 down to 641 -- or actually 2,500 to
5 732.

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

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

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

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

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

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

1 Reassessment Update/3-4-20

2 2020, 2021 school and general tax bills.

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

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

10 Question, why are these new
11 taxpayer protection plans being changed from
12 the prior statements? The answer is,
13 statements have been updated but delays and
14 most accurate information possible included
15 the latest school district tax levies for
16 2019-20, tax year which account for the
17 large majority of the property tax bill, the
18 latest county, town, special district tax
19 levies, and the successful grievances are
20 eligible for tax exemption and ever changing
21 variables.

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

25 With that, I open to any

1 Reassessment Update/3-4-20

2 questions from any legislators.

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

16 Mr. Moog, we received something
17 in the mail this week from the County
18 Executive, a letter as well as a Taxpayer
19 Protection Plan data report as of March 2nd,
20 2020. Are you familiar with that?

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

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

1 Reassessment Update/3-4-20
2 will be see increases, those who will see
3 decreases both with and without the
4 phase-in.

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

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

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

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

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

1 Reassessment Update/3-4-20

2 Review Commission.

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

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

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

24 Then when the levies are changed
25 with the school districts that will be voted

1 Reassessment Update/3-4-20

2 on in May, that would end up in the final
3 adjustments that will be made in the overall
4 taxes that would be owed.

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

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

10 MR. MILES: Robert Miles, Deputy
11 Assessor. I believe it was closer to 45,
12 55.

13 CHAIRMAN NICOLELLO: 45 going
14 down, 55 going up?

15 MR. MILES: Vice versa.

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

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

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

1 Reassessment Update/3-4-20

2 MR. MILES: Correct.

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

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

8 CHAIRMAN NICOLELLO: I think we
9 understand that.

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

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

1 Reassessment Update/3-4-20

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

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

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

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

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

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

25 MR. MOOG: We will gladly provide

1 Reassessment Update/3-4-20

2 the information for Mr. Chalmers on that.

3 CHAIRMAN NICOLELLO: All right.

4 That question was for Mr. Maurice Chalmers.

5 He was the person in mind. But you can

6 provide that information, correct?

7 MR. CHALMERS: Definitely.

8 CHAIRMAN NICOLELLO: Couple more

9 questions. Then I will let the legislators

10 follow up.

11 But in your opening statement you

12 indicated that the new values were based on

13 the most recently real estate data.

14 What does that mean? Where was

15 that coming from?

16 MR. MOOG: For the 2021-2022 roll

17 you mean?

18 CHAIRMAN NICOLELLO: Yes.

19 MR. MOOG: Yes. That came from

20 -- the office decided to take a look at the

21 sales for one full year and apply that sales

22 increase, sales ratios for all the school

23 districts. From the school districts we

24 provided -- got trends that we refined those

25 trends to each of the school districts.

1 Reassessment Update/3-4-20

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

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

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

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

25 MR. MOOG: Well, when we decide

1 Reassessment Update/3-4-20

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

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

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

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

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

25 MR. MOOG: No. That was the one

1 Reassessment Update/3-4-20
2 for '21-'22. That was the one that was just
3 completed on January 2nd of this year.

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

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

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

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

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

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

1 Reassessment Update/3-4-20

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

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

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

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

21 CHAIRMAN NICOLELLO: So how is it
22 fair for a resident who wants to know how
23 their assessed value was determined if
24 Prognose was not used to develop the number
25 and they can't see what the comparables were

1 Reassessment Update/3-4-20
2 on the website but when they challenged
3 their assessment, and eventually goes to a
4 SCAR hearing, the county is then using
5 Prognose to develop comparables.

6 How is that fair to a resident?

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

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

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

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

1 Reassessment Update/3-4-20

2 Commission or that their representative
3 used.

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

8 MR. MOOG: Pardon me?

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

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

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

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

1 Reassessment Update/3-4-20

2 511 period and during the tentative period.

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

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

10 CHAIRMAN NICOLELLO: Yes.

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

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

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

23 CHAIRMAN NICOLELLO: We can
24 follow-up with them.

25 Just one other point. Page three

1 Reassessment Update/3-4-20
2 of your presentation you indicate that the
3 broken assessment system has resulted in
4 mass grievances.

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

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

11 CHAIRMAN NICOLELLO: Yes.

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

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

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

22 The prior year I think 165 to
23 170,000 grievances were filed where I think
24 over 95 percent of those cases were given
25 offers for resolution.

1 Reassessment Update/3-4-20

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

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

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

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

1 Reassessment Update/3-4-20

2 grievances.

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

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

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

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

22 MR. MILES: I'm saying half.

23 MR. MOOG: Half the number of
24 reductions, but a lot of the grievances --
25 in Nassau County it has been a habit that

1 Reassessment Update/3-4-20

2 you always file a grievance no matter what,
3 you feel you have to preserve your right.

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

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

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

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

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

1 Reassessment Update/3-4-20

2 did.

3 MR. MOOG: SCAR.

4 MR. MILES: We were speculating.

5 I don't know about the tens of thousands

6 are, we don't know what the numbers are.

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

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

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

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

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

1 Reassessment Update/3-4-20

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

5 LEGISLATOR FERRETTI: Good
6 evening gentleman.

7 I have a couple of different
8 topics I want to touch on. You first spoke
9 about, you first mentioned Prognose, and I
10 guess one question just hearing the dialogue
11 between the Presiding Officer and you,
12 Mr. Moog, is why aren't we using for the
13 '21-'22 roll, not the high end properties?

14 MR. MOOG: We looked at the
15 accuracy of the prior assessment roll and we
16 decided to -- which is a very common
17 practice and used what they call a trended
18 roll, which is covered under publication
19 1029 of the Office of Real Property Tax
20 Services.

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

1 Reassessment Update/3-4-20

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

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

11 We made those assumptions and
12 those judgements based on the guidance of
13 1029 and of the office of Real Property Tax
14 Services and, from that, we came up with an
15 accurate tax roll by the coefficient
16 dispersion of only 6.5 is much more accurate
17 than the prior year.

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

25 It's not as if we don't use

1 Reassessment Update/3-4-20

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

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

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

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

1 Reassessment Update/3-4-20
2 review proceedings.

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

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

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

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

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

22 MR. MOOG: Yes, I do.

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

1 Reassessment Update/3-4-20

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

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

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

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

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

23 As for what we use in judicial
24 review, as you know in legal circles, we
25 have our defenses when people take a

1 Reassessment Update/3-4-20

2 judicial appeal against us and we use
3 Prognose not as a modeling tool, but we use
4 it to develop the comparables that we will
5 use to justify the values for '21-'22.

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

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

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

21 MR. MOOG: What was that?

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

24 MR. MOOG: Comparables change
25 based on home sales but the comparables used

1 Reassessment Update/3-4-20
2 for '20-'21 would be the ones that occurred
3 for that year. You don't use updated sales
4 for the defense, you would be using sales
5 from the period of time that those
6 assessments were generated.

7 So it would still the same pool
8 of sales being generated to defend on
9 '20-'21.

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

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

16 MR. MOOG: For '21-'22?

17 LEGISLATOR FERRETTI: Yes.

18 MR. MOOG: We used the trend.

19 LEGISLATOR FERRETTI: Did you use
20 comparables?

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

25 LEGISLATOR FERRETTI: So the

1 Reassessment Update / 3-4-20

2 answer is no?

3 MR. MOOG: No.

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

8 MR. MOOG: That was my decision.

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

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

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

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

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

25 MR. MOOG: That is correct.

1 Reassessment Update/3-4-20

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

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

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

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

17 LEGISLATOR FERRETTI: Yes.

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

21 LEGISLATOR FERRETTI: So they
22 have to do the math?

23 MR. MOOG: Yes. You just take
24 the current year, minus the prior year, and
25 take the difference and divide it by the

1 Reassessment Update/3-4-20

2 prior year and you get the percentage.

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

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

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

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

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

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

1 Reassessment Update/3-4-20

2 LEGISLATOR FERRETTI: I'm sure.

3 Is there a reason that you haven't published
4 the school district percentages?

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

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

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

13 MR. MILES: You grieve on your
14 assessment.

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

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

23 I guarantee no one in this
24 auditorium knew before they got here that
25 this percentage was used throughout their

1 Reassessment Update/3-4-20

2 entire school district.

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

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

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

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

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

1 Reassessment Update/3-4-20

2 percentage was increased.

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

7 LEGISLATOR FERRETTI: Hold on a
8 second. You said that it applies unless it
9 receives an ARC reduction. Only if that ARC
10 reduction was recognized before December 15,
11 2019, correct?

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

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

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

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

1 Reassessment Update/3-4-20

2 LEGISLATOR FERRETTI: That's nice
3 but you didn't answer the question. What if
4 the reduction was received after December
5 15, 2019?

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

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

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

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

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

22 LEGISLATOR FERRETTI: Yes.

23 MR. MOOG: It would depend on the
24 percentage. A lot of the reductions, some
25 of them were very small and very minor

1 Reassessment Update/3-4-20

2 reductions. It would still have to be
3 reviewed on an individual basis and we would
4 have to see.

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

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

10 LEGISLATOR FERRETTI: I think the
11 answer was, I think what you're saying is,
12 if you received a reduction after December
13 15, 2019 for the '20-'21 tax roll, then you
14 would need to grieve now to recognize that
15 reduction in '21-'22; is that a fair
16 statement?

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

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

1 Reassessment Update/3-4-20

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

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

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

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

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

23 As we said before, the accuracy
24 of the '20-'21 roll which was judged by an
25 independent expert, viewed that as a very

1 Reassessment Update/3-4-20

2 accurate tax roll. It came in at 8.9
3 percent COD which is statistically used to
4 value the accuracy of the assessment roll.

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

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

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

22 LEGISLATOR FERRETTI: So in
23 '20-'21 we used neighborhood factor,
24 correct?

25 MR. MOOG: We used many factors.

1 Reassessment Update/3-4-20

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

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

9 MR. MOOG: I think they used over
10 300.

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

14 MR. MOOG: 56.

15 LEGISLATOR FERRETTI: So we have
16 347 I believe different neighborhoods and
17 now we're going down to 56?

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

24 If you don't have enough sales
25 within a geographic area, the trend you're

1 Reassessment Update/3-4-20

2 creating may be inaccurate because you have
3 two many outliers.

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

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

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

18 It's not too different than the
19 overall Nassau County value by an article in
20 Newsday showed the values went up 2.9
21 percent. Our values overall went up about
22 2.5 percent.

23 So it's not too far off from the
24 analysis done by Newsday which is looking in
25 major real estate publications and as you

1 Reassessment Update/3-4-20

2 know, the values, even though they did go up
3 throughout Nassau County, some areas did
4 sort of flat line and other ones went up
5 more.

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

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

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

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

25 If you look at the trends, not

1 Reassessment Update/3-4-20

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

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

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

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

21 LEGISLATOR FERRETTI: The
22 modeling, the model approach that we did in
23 2021, is that a multiplicative assessment?

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

1 Reassessment Update/3-4-20

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

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

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

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

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

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

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

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

1 Reassessment Update/3-4-20

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

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

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

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

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

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

24 MR. MOOG: Yes.

25 LEGISLATOR FERRETTI: We didn't

1 Reassessment Update/3-4-20
2 use Prognose for '21-'22 at least for the
3 most part. We didn't provide that level of
4 transparency to residents, and we didn't use
5 the multiplicative model. We carried
6 forward the results of '20-'21 to '21-'22,
7 correct?

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

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

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

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

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

24 MR. MOOG: Correct.

25 LEGISLATOR WALKER: So now my

1 Reassessment Update/3-4-20

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

6 So now that was based on current
7 sales?

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

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

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

25 MR. MOOG: Higher values.

1 Reassessment Update/3-4-20

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

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

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

22 MR. MOOG: The assessed value, or
23 the market value went up the same amount
24 throughout the district. So, let's say in
25 the district every single property receives

1 Reassessment Update/3-4-20

2 a five percent increase in assessed
3 valuation and the budgets don't change, then
4 the taxes wouldn't change. It's distributed
5 evenly among all the properties based on
6 their weighted percentages.

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

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

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

25 People buy property over time

1 Reassessment Update/3-4-20

2 because they expect appreciation of the
3 property value.

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

7 From the model values we did in
8 '20-'21, it took into account all the
9 aspects and attributes of the property.

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

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

24 LEGISLATOR WALKER: I get that.
25 But bottom line is when you look at that tax

1 Reassessment Update/3-4-20

2 bill and that house which is a much larger
3 house, their taxes haven't gone up compared
4 to what yours are going up and you didn't do
5 anything. You have the original little
6 house or small little house.

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

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

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

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

1 Reassessment Update/3-4-20

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

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

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

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

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

24 MR. MILES: By the logic you
25 stated, that would mean everything would be

1 Reassessment Update/3-4-20

2 worth \$500,000 and everyone's taxes are the
3 same but you know that's not true.

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

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

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

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

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

25 In a lot of villages, on the

1 Reassessment Update/3-4-20

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

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

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

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

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

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

1 Reassessment Update/3-4-20

2 grievance. We are trying to implement the
3 grievance.

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

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

17 MR. MOOG: If you grieving for
18 '21-'22, it's going to be based on the sales
19 from January 1st of '19 to December 31st of
20 '19.

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

1 Reassessment Update/3-4-20
2 September of '18 to September of '19.

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

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

20 LEGISLATOR WALKER: Does Prognose
21 have those sales also?

22 MR. MILES: Prognose can pull the
23 sales.

24 MR. MOOG: But all the sales are
25 available from the Arrow system when people

1 Reassessment Update/3-4-20

2 file grievance, the Assessment Review
3 Commission provides all the comparable sales
4 within the system and can very easily pick
5 the comparables to load up your grievance.

6 LEGISLATOR WALKER: But Prognose
7 does not?

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

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

15 LEGISLATOR WALKER: Go ahead.

16 CHAIRMAN NICOLELLO: Legislator
17 Drucker and Legislator Ford.

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

24 LEGISLATOR DRUCKER: Thank you,
25 Presiding Officer.

1 Reassessment Update/3-4-20

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

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

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

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

1 Reassessment Update/3-4-20

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

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

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

18 LEGISLATOR DRUCKER: That are
19 artificially at a reduced level.

20 MR. MOOG: As you saw from the
21 example that we gave from the power point
22 presentation, properties that grieved
23 continuously kept using the lower level of
24 assessment that was granted them by the
25 Assessment Review Commission which, I

1 Reassessment Update/3-4-20

2 believe, I think it wasn't even made public
3 until 2017, they started publishing that you
4 got a lower level of assessment. It wasn't
5 even known by property owners until much
6 later in that process.

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

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

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

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

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

1 Reassessment Update/3-4-20

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

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

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

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

22 Only I can go from the Newsday
23 article from last year, I think Chicago was
24 a COD of 17 or 18, New York City was 16 or
25 17.

1 Reassessment Update/3-4-20

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

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

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

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

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

23 So the implementation of that
24 which is a brand new exemption, the
25 exemption codes were just tentatively

1 Reassessment Update/3-4-20
2 granted by the state until we implement
3 those past here, but it requires that we
4 make sure that we do the calculations
5 properly, implement them properly, have them
6 layered upon with all the other exemptions.
7 It has to be broken out among 56 school
8 districts in the taxing end as well as over
9 400 taxing authorities on the local general
10 end.

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

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

1 Reassessment Update/3-4-20

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

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

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

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

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

1 Reassessment Update/3-4-20

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

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

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

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

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

1 Reassessment Update/3-4-20

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

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

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

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

1 Reassessment Update/3-4-20

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

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

7 I want to make a comment that I
8 know that when you say that this trend that
9 has been used throughout the United States,
10 I would like to point out that everywhere
11 else in the United States they don't pay
12 taxes like we do. I have friends that pay
13 \$800 a year.

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

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

23 Long Beach School District
24 encompasses a variety of neighborhoods. We
25 go from Point Lookout, Lido, and then we

1 Reassessment Update/3-4-20

2 come into Long Beach. Long Beach has
3 different neighborhoods with different
4 personalities and characteristics.

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

13 MR. MOOG: 4.4 percent.

14 LEGISLATOR FORD: So,
15 accordingly, whether or not their house is
16 \$500,000 or a million dollars, am I correct?

17 MR. MOOG: That's correct.

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

21 I mean, it doesn't seem like --
22 when you talk about house sales, you're not
23 going into each of the particular
24 neighborhoods. You wouldn't go into the
25 west end and say I live in the west end and

1 Reassessment Update/3-4-20

2 you're not going into that neighborhood to
3 say, well, five house were sold.

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

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

18 LEGISLATOR FORD:

19 MR. MILES: Can I just correct
20 one statement?

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

1 Reassessment Update/3-4-20

2 sample.

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

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

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

20 My house is an older home. But
21 maybe my neighbors down the block built a
22 brand new home and their house may be they
23 built it, and they can sell it for \$850,000.
24 I may not be able to sell my house for
25 \$850,000 because my house is old. So how is

1 Reassessment Update/3-4-20

2 it that I go up the same rate, the same
3 percentage as they do?

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

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

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

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

1 Reassessment Update/3-4-20

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

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

11 But, what you said to this one
12 gentleman was that, this fellow maybe an
13 average house price was \$500,000 in Long
14 Beach, and he was lucky enough, maybe the
15 house was very old and he bought it for
16 \$400,000. You told him that is not what his
17 taxes were based on. That he had to come up
18 with other sales within that area to show
19 that other houses similar to his were sold
20 for \$400,000. He may have just been that
21 lucky guy, maybe some old lady just wanted
22 to escape, wanted to get rid of the house.

23 So when you tax somebody for a
24 higher price what they paid for the house,
25 you punished somebody who may have gotten a

1 Reassessment Update/3-4-20

2 bargain on a house because he is not allowed
3 to use that \$400,000 as a basis for his
4 taxes.

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

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

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

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

1 Reassessment Update/3-4-20

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

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

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

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

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

1 Reassessment Update/3-4-20

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

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

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

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

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

23 We are the ones who are hindered
24 from using that. It's a good practice
25 because you don't want the neighbor, you

1 Reassessment Update/3-4-20

2 know, what Mr. Moog was saying, there's
3 certain different scenarios that people are
4 selling their houses with different
5 motivating factors.

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

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

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

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

23 You are going to compel each and
24 every single person to grieve their
25 assessment because they don't know whether

1 Reassessment Update/3-4-20

2 or not with the trending values that you're
3 using, why am I supposed to be paying the
4 same amount when my house is older than
5 somebody else's house is much newer or much
6 bigger and they have more property?

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

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

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

25 MR. MILES: With the 6.5

1 Reassessment Update/3-4-20

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

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

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

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

1 Reassessment Update/3-4-20

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

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

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

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

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

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

1 Reassessment Update/3-4-20

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

9 So that was one of the nuances
10 that we did.

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

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

1 Reassessment Update/3-4-20

2 from that lower value.

3 So then it started from a lower
4 point on those properties. That was one of
5 the things that I think was important in my
6 decision making towards the end of the year
7 to make sure we incorporated the ARC
8 reductions so that a lot of people who felt
9 they didn't get the proper assessment in
10 '20-'21 received the reduction, they
11 wouldn't have to go back again because I
12 would trend on top of my '20-'21 roll, even
13 though it wasn't even accepted sometimes, we
14 incorporated the offer of reduction into the
15 assessment.

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

18 MR. MILES: Right.

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

21 MR. MOOG: We are going to trend
22 from that lower number. So if you went from
23 500 to \$450,000, then we trended from that
24 base of 450, not from 500.

25 LEGISLATOR FORD: Then what we

1 Reassessment Update/3-4-20

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

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

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

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

25 MR. MOOG: It's always in the end

1 Reassessment Update/3-4-20

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

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

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

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

25 MR. MOOG: ARC will accept any

1 Reassessment Update/3-4-20

2 sort of evidence of value.

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

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

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

19 LEGISLATOR FORD: Fair enough.

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

24 MR. MOOG: The TPP, right.

25 LEGISLATOR FORD: You said this

1 Reassessment Update/3-4-20
2 phase-in is only applicable to this new
3 assessment.

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

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

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

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

17 LEGISLATOR FORD: This is like a
18 one time thing?

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

25 MR. MOOG: The exemption is set,

1 Reassessment Update/3-4-20

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

4 So if you have a property, like
5 the example we gave, it was \$20,000 each
6 year, it was an 80,000, 60,000, 40,000,
7 20,000 exemption.

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

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

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

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

25 LEGISLATOR FORD: Sort of

1 Reassessment Update/3-4-20
2 confusing at times. I think that's it for
3 now. Thank you.

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

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

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

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

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

25 I don't think that's for a market

1 Reassessment Update/3-4-20

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

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

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

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

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

24 We actually took some
25 consultation from an expert upstate which

1 Reassessment Update/3-4-20

2 uses a model, and then from the model, you
3 then point to five or six comparables and
4 then you look at the outliers.

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

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

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

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

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

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

1 Reassessment Update/3-4-20

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

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

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

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

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

1 Reassessment Update/3-4-20

2 would be just used for SCAR.

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

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

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

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

23 CHAIRMAN NICOLELLO: Mr. Rhoads,
24 Mr. Gaylor.

25 LEGISLATOR GAYLOR: Thank you,

1 Reassessment Update/3-4-20

2 Presiding Officer. Thank you, Mr. Rhoads.

3 I promise to be brief. Good evening.

4 Just a couple of questions. You
5 sited the conclusion that justifies the
6 '21-'22 assessment being -- did you say the
7 Louden report?

8 MR. MOOG: Yes.

9 LEGISLATOR GAYLOR: Briefly what
10 is the Louden report?

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

21 So from that report and it's
22 still in draft form, still with the County
23 Attorney, but I can reveal that the
24 coefficient of dispersion came in at 6.5
25 which is very low which shows uniformity of

1 Reassessment Update/3-4-20
2 the assessment roll to the sales from that
3 '21-'22 year.

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

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

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

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

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

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

1 Reassessment Update/3-4-20

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

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

9 MR. MOOG: Absolutely.

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

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

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

20 CHAIRMAN NICOLELLO: Mr. Rhoads.

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

24 MR. MOOG: I'm okay.

25 LEGISLATOR RHOADS: I know we are

1 Reassessment Update/3-4-20

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

4 You have been using the
5 terminology Taxpayer Protection Plan.

6 MR. MOOG: Yes.

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

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

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

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

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

21 MR. MILES: Similar language to
22 1805, commercial.

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

25 MR. MILES: Correct.

1 Reassessment Update/3-4-20

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

5 MR. MOOG: That is correct.

6 MR. MOOG: 1805.

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

10 MR. MOOG: Yes.

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

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

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

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

1 Reassessment Update/3-4-20

2 alignment in what ARC would be using also.

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

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

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

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

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

24 LEGISLATOR RHOADS: I'm not
25 asking for justification of why the LOA was

1 Reassessment Update/3-4-20

2 dropped. We are just laying that issue to
3 the side.

4 MR. MOOG: Right.

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

9 MR. MOOG: It provided the relief
10 from the need for the assessments that were
11 changed through the LOA being reduced to
12 .10.

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

16 MR. MOOG: Yes.

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

20 MR. MOOG: Yes.

21 LEGISLATOR RHOADS: And the
22 exemption base is the difference between the
23 2019 tentative assessment minus the
24 equalized 19-20 final assessment, is that
25 right?

1 Reassessment Update/3-4-20

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

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

7 MR. MOOG: Final '19, yes.

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

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

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

20 MR. MOOG: Yes.

21 LEGISLATOR RHOADS: That's used
22 in conjunction with the tentative '20-'21
23 roll which was the subject of approximately
24 260,000 challenges, is that correct?

25 MR. MOOG: It's the tentative

1 Reassessment Update/3-4-20

2 roll that's being used, yes.

3 LEGISLATOR RHOADS: So the
4 260,000 challenges represent over half of
5 all of the residential and commercial
6 properties in Nassau County; is that
7 correct?

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

11 LEGISLATOR RHOADS: Well, 240 was
12 residential, right?

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

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

23 MR. MOOG: Correct.

24 LEGISLATOR RHOADS: That's what's
25 being used as a basis to determine how this

1 Reassessment Update/3-4-20

2 is going to be phased in?

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

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

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

12 LEGISLATOR RHOADS: How about
13 '20-'21?

14 MR. MOOG: I think the number was
15 8.9.

16 LEGISLATOR RHOADS: That was 8.9
17 based on an estimate?

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

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

25 MR. MOOG: Yes, completion of the

1 Reassessment Update/3-4-20

2 SCAR process.

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

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

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

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

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

24 MR. MOOG: That's correct.

25 LEGISLATOR RHOADS: Good to know

1 Reassessment Update/3-4-20

2 that's the result of the process.

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

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

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

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

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

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

1 Reassessment Update/3-4-20

2 LEGISLATOR RHOADS: But you will
3 abide by whatever --

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

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

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

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

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

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

22 MR. MOOG: I used 379.

23 LEGISLATOR RHOADS: Do we know an
24 exact number?

25 MR. MOOG: I have in my office

1 Reassessment Update/3-4-20

2 the exact number.

3 MR. MILES: 379.

4 MR. MOOG: About 379.

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

8 MR. MOOG: Yes.

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

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

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

25 The would realize the entire

1 Reassessment Update/3-4-20

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

6 LEGISLATOR RHOADS: So the
7 decision was made?

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

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

14 MR. MOOG: Yes.

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

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

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

1 Reassessment Update/3-4-20

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

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

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

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

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

24 LEGISLATOR RHOADS: So, would it
25 be fair to say that at the conclusion of

1 Reassessment Update/3-4-20

2 that process is when we actually have an
3 idea of when we have the most accurate roll?

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

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

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

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

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

24 LEGISLATOR RHOADS: But with
25 respect to the '20-'21 roll you would agree

1 Reassessment Update/3-4-20

2 that at the conclusion of SCAR, that is what
3 the '20-'21 roll is; that is a final
4 determination?

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

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

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

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

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

18 LEGISLATOR RHOADS: Who gets to
19 judge that?

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

1 Reassessment Update/3-4-20

2 the county to do.

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

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

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

17 MR. MOOG: No.

18 It was made in light of that
19 belief, was that homeowners if they grieved
20 and received a reduction, they would be able
21 to receive that entire reduction amount or
22 realize the benefits of that reduction in
23 that year that the reduction is granted
24 rather than waiting five years which would
25 result of being spread out if you waited

1 Reassessment Update/3-4-20

2 until the end of the SCAR season.

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

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

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

19 MR. MOOG: How so?

20 LEGISLATOR RHOADS: Well, in
21 other words, if we're telling a homeowner
22 that their home is worth \$400,000 instead of
23 \$500,000, they're still going to get charged
24 480 on year one, 460 year two, right?

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

1 Reassessment Update/3-4-20
2 say if it was 500 and the exemption was
3 calculated as in the example shown, \$80,000,
4 and they received a reduction from the
5 Assessment Review Commission, that exemption
6 still stays the same, so now the taxable
7 amount, let's say it was 450, the taxable
8 amount is 380 --

9 LEGISLATOR RHOADS: I'm talking
10 about your tentative roll. I'm saying, if
11 someone didn't grieve their taxes and their
12 old assessment -- historically didn't grieve
13 their taxes, and their old assessment was
14 \$500,000 as a result of the new assessment,
15 that assessment is now \$400,000.

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

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

22 MR. MOOG: But also if it was
23 from the old roll, was 500, and new roll was
24 450, they would be then -- they would get
25 the exemption. Gets it automatically.

1 Reassessment Update/3-4-20

2 That's how the exemption is written.

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

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

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

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

17 MR. MOOG: Yes.

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

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

25 LEGISLATOR RHOADS: But they're

1 Reassessment Update/3-4-20

2 not receiving the benefit immediately,
3 correct?

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

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

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

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

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

19 LEGISLATOR RHOADS: So my overall
20 point is, that based upon the phase in
21 system for the now originally was supposed
22 to be 45 percent that were receiving an
23 increase, now we know it's 55 percent that
24 are receiving an increase, and approximately
25 45 percent receiving a decrease.

1 Reassessment Update/3-4-20

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

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

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

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

14 CHAIRMAN NICOLELLO: You need a
15 break?

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

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

21 (Whereupon, a five minute recess
22 was taken.)

23 CHAIRMAN NICOLELLO: Michael
24 Gillman.

25 MR. GILLMAN: Thank you very

1 Reassessment Update/3-4-20

2 much, sir. Thank you very much, sir.

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

14 I was therefore shocked and
15 horrified when I got my new assessment last
16 January with a 130 percent increase in the
17 so-called fair market value and the
18 assessment now said my home was worth
19 \$463,000.

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

25 I filed a grievance.

1 Reassessment Update/3-4-20

2 My grievance was rejected. I
3 received no reduction.

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

8 I don't think my home is worth
9 that.

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

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

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

25 There may be homes in my area

1 Reassessment Update/3-4-20

2 that were under assessed. Mine was not.

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

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

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

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

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

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

24 When I went there and asked for a
25 copy of that report, the lady behind the

1 Reassessment Update/3-4-20

2 deck only had to push a button on the
3 computer to read the report, and she then
4 said if I filed a written application, which
5 I did, that I would receive a copy of that
6 report, that I could take to my SCAR
7 hearing. That was over a month ago. I
8 received no such copy of the report.

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

11 Thank you, sir, for reminding me
12 of that.

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

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

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

23 MR. MILES: Yes, yes.

24 LEGISLATOR RHOADS: You have to
25 let him know within five days whether or not

1 Reassessment Update/3-4-20

2 he's going to receive it and produce it
3 within 30, correct?

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

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

12 MR. MILES: Absolutely.

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

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

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

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

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

1 Reassessment Update/3-4-20

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

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

8 I have the following questions
9 for Assessor Moog.

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

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

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

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

25 Now, when I sell the house, the

1 Reassessment Update/3-4-20

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

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

12 You sent me an email on October
13 24th, 2019 saying here's the formula. You
14 gave me the computer code again under the
15 county law that you had given me under my
16 foil request which doesn't answer the
17 question.

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

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

1 Reassessment Update/3-4-20

2 I ask the Legislature to do three
3 things.

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

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

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

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

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

25 CHAIRMAN NICOLELLO: The clerk

1 Reassessment Update/3-4-20

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

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

11 Is that true? Do you remember?

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

14 LEGISLATOR GAYLOR: We had a
15 reporting requirement I believe.

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

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

21 LEGISLATOR GAYLOR: Very good.
22 Thanks.

23 CHAIRMAN NICOLELLO: Mr. Patrick
24 Salmon.

25 MR. SALMON: Yes. My name is a

1 Reassessment Update/3-4-20

2 Patrick Salmon and I live in Bellerose
3 Village.

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

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

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

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

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

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

24 Well, Mr. Moog, I got your point
25 and it sounds like you got a good system and

1 Reassessment Update/3-4-20

2 you finally got something statistically
3 headed in the right direction.

4 Good for you.

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

11 Oh, we can't do that.

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

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

19 So, I found out, yes, you gave me
20 \$1,000 off. My wife says to me, Pat, you're
21 going to grieve your taxes next year? I
22 said, no, they fixed the problem, they gave
23 us a reduction. So that was about five, six
24 years ago.

25 Now all of a sudden I'm finding

1 Reassessment Update/3-4-20

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

4 I don't think that's fair.

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

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

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

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

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

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

1 Reassessment Update/3-4-20

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

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

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

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

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

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

23 His department says talk to ARC.

24 CHAIRMAN NICOLELLO: You have to
25 look an annual basis whether you feel the

1 Reassessment Update/3-4-20

2 assessed value is accurate or not, if you
3 don't feel it's accurate you should be
4 challenging your assessment.

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

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

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

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

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

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

23 CHAIRMAN NICOLELLO: Thank you,
24 sir.

25 MR. SALMON: You're welcome.

1 Reassessment Update/3-4-20

2 CHAIRMAN NICOLELLO: Gary Wargo.

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

6 Presiding Officer Nicoletto is my
7 representative. His office has copies of
8 all the documents that I will be talking
9 about.

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

12 It raised the assessment on my
13 house by approximately 67 percent from
14 340,000 to \$590,000.

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

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

21 She said she was disregarding my
22 comps. She said she did some of her own.
23 And offered me a four percent reduction of
24 \$25,000 to \$565,000.

25 I asked her if I could get a copy

1 Reassessment Update/3-4-20
2 of the comps that she used so I can compare
3 them. That's all I was asking. She said
4 she couldn't send them to me but I can
5 request them in writing.

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

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

15 The second said that the county
16 then maintained these records.

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

23 In January, I get a reply back
24 from the county attorneys saying that they
25 were right to deny my request for this

1 Reassessment Update/3-4-20
2 information based upon a ruling in the court
3 in Michigan in Court 20 years ago.

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

8 To add insult to injury, in
9 January I get a letter from the Assessment
10 Department saying we're for '21-'22, we're
11 going to reduce your house by \$55,000 to
12 \$535,000.

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

16 CHAIRMAN NICOLELLO: Robert
17 Orosz.

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

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

25 Currently the property tax bills

1 Reassessment Update/3-4-20
2 issued by the county are the only bills that
3 do not quantify or explain how the numbers
4 are formulated, unlike a utility, credit
5 card or even your water bill.

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

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

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

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

1 Reassessment Update/3-4-20

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

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

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

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

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

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

25 I got to go seven, eight years

1 Reassessment Update/3-4-20

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

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

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

10 How did that work out in terms of
11 the median increase with the phase-in and
12 without the phase-in? One is 485 the first
13 year as opposed to without the phase-in
14 1600.

15 If it's a five year phase-in, the
16 20 percent each year, how did it work out?

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

1 Reassessment Update/3-4-20

2 rolls off.

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

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

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

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

22 MR. OROSZ: It's going to be a
23 double whammy. If you can't get it one way
24 and can't seem to have people vote for this
25 phase-in, you're going to jam them at the

1 Reassessment Update/3-4-20

2 beginning. This is how you're going to
3 treat us. Right? Very good. Thank you.

4 CHAIRMAN NICOLELLO: Thank you,
5 sir. Steven Heend.

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

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

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

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

1 Reassessment Update/3-4-20

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

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

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

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

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

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

23 MR. HEEND: I'm sorry.

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

1 Reassessment Update/3-4-20

2 it confrontational.

3 MR. MOOG: When the exemption was
4 being formulated, we had to make sure the
5 exemption was in sort of the same parallel
6 path as the current phase-ins, on 1805, the
7 6 and 20, as well as the phase-in on the
8 commercial properties exclude physical
9 changes. Just as physical changes were
10 excluded during the frozen roll.

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

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

21 So when they crafted the law they
22 crafted it to be the phase-in on any changes
23 from the reassessment, since physical
24 changes were always excluded for any sort of
25 cap as well as any sort of restriction on

1 Reassessment Update/3-4-20

2 any real property tax law.

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

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

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

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

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

21 MR. HEEND: Well, since most of
22 my time was used up with the answer from Mr.
23 Moog, I suggest that legislators who are
24 going to be voting after this hearing on
25 Ms. Curran's plan, vote against it, because

1 Reassessment Update/3-4-20

2 people such as me and owners of new
3 construction are being harmed by this plan
4 and that a new should be developed if not in
5 Nassau County then in Albany. Thank you.

6 CHAIRMAN NICOLELLO: Follow up,
7 Mr. Rhoads.

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

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

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

19 CHAIRMAN NICOLELLO:
20 Mr. Margolis.

21 MR. MARGOLIS: Good evening,
22 Presiding Officer, good evening Legislature.
23 First off, to go on the point of Country
24 Point. Country Point had people move in in
25 2018 who are on the '20-'21 assessment roll.

1 Reassessment Update/3-4-20

2 They are on the roll. They have valuation.

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

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

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

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

18 Number two, how is anybody
19 supposed to pay \$42,000 in taxes that I paid
20 this year when I'm supposed to pay \$23,000
21 in taxes? We're not talking about a
22 difference of \$1,600 here. We're talking
23 about \$19,000 I overpaid. That means I have
24 to earn \$70,000 to pay property taxes to
25 live on point two acres in Plainview. Not

1 Reassessment Update/3-4-20

2 two. I said "point two" with no sidewalk
3 and a driveway that could barely fit two
4 cars. Okay? This is out of control.

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

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

9 You are voting to say it's okay
10 to steal from this house to pay for another
11 house. It is theft. The Taxpayer
12 Protection Plan put out any Laura Curran is
13 a plan of theft.

14 We didn't even discuss. This
15 thing is non-constitutional. 485U on its
16 face is unconstitutional.

17 Can somebody show me reports from
18 multiple constitutional, independent,
19 constitutional attorneys to tell me that
20 this statute is even constitutional?

21 Don't you think that Nassau
22 County should have done that to say that
23 this statute is even constitutional?

24 Just because they write a law in
25 Albany does not make it constitutional. I

1 Reassessment Update/3-4-20

2 think we all know that, right?

3 Legislator, I'm sorry I forgot
4 your name, talked about it over there. He
5 talked about exactly about how we're talking
6 about a tentative assessment roll, comparing
7 a tentative assessment roll. If something
8 is tentative, I discussed this here before,
9 it means no one had a chance to argue
10 against it. What does that mean? It
11 deprived everybody single person in Nassau
12 County of due process.

13 Everybody is entitled to due
14 process. You can't use a tentative
15 assessment roll. This plan is
16 unconstitutional.

17 We can go on and on and on and
18 on. This thing -- why the difference in 45
19 and 55? It's because the 45 didn't include
20 the thing that switched. They did not
21 include new construction.

22 When they first had this plan,
23 these numbers didn't go in. Then they
24 bumped new construction up, if you're
25 supposed to pay 23 you start off at 38.

1 Reassessment Update/3-4-20

2 Your first time that you are
3 being assessed is '20-'21 and your fair
4 assessment is 23, but we're going to charge
5 you 38.

6 How can you release numbers when
7 you don't even include 400 homes that are
8 going on an assessment roll? I'm just
9 saying, we created this plan. I've been
10 hearing it for 15 months. I've been under
11 duress with a gun against my head. How is
12 my family going to survive?

13 All I've been hearing about,
14 well, we're going to raise these people up
15 in taxes and everybody is going to be forced
16 to sell their home, half of Nassau County.

17 It's the other way around. It's
18 the people that are being overcharged
19 \$20,000, 18,000, \$17,000 and are going down
20 that can't afford to pay this money. Not
21 the people that are going up a thousand
22 dollars.

23 Who in Nassau County can't afford
24 \$1,000 increase? I want to know the ends of
25 the spectrum, okay? Let's assume that

1 Reassessment Update/3-4-20

2 everybody can afford a \$5,200 a year
3 increase, it's \$100 a week. They'll figure
4 out how to pay \$100 a week.

5 How many people are overpaying
6 \$5,200? How many people are under paying
7 \$5,200? And I guarantee you by five to one
8 there is more than -- five to one paying
9 over \$5,200 because the new homeowners are
10 subsidizing everybody else. That's what
11 this plan calls for.

12 We have to make up for the
13 injustice. We have to make sure Laura
14 Curran gets re-elected and that's why the
15 plan was proposed because if 50 percent of
16 the people are going down, those people are
17 going to vote democratic or republican,
18 however they vote.

19 But everybody that is going up,
20 right, everybody that is going up, all they
21 care about is their pocket. If they go up a
22 thousand, \$1,500? What happens that year?
23 One year after this goes into place? Laura
24 Curran is up for reelection.

25 So it's a lot better if she can

1 Reassessment Update/3-4-20

2 sneak it in at \$400 where the median is than
3 \$1,600 where everybody will say, I can't
4 vote for her.

5 That's what we are looking at.
6 We're looking at a plan that calls for
7 somebody to get re-elected, not for
8 protecting the citizens, not for putting
9 party politics aside.

10 Every single person could have
11 spent the last 15 months going to the state
12 to maybe raise some money to subsidize this.
13 We do over pay in Nassau County over \$500
14 million a year in excess to the state.

15 Maybe they should help pay for
16 this. I can't pay for every single person's
17 taxes.

18 CHAIRMAN NICOLELLO: Thank you
19 Mr. Margolis. There is actually a bill by
20 Senator Ra that would provide a credit for
21 those that should be decreasing which we
22 have been supporting and we will continue to
23 support that.

24 MR. MARGOLIS: Well, Laura Curran
25 wrote in a statement in the newspaper that

1 Reassessment Update/3-4-20

2 thing will never pass and she will never
3 stand behind it. That's what was in
4 Newsday.

5 CHAIRMAN NICOLELLO: I don't
6 understand that. Maybe she felt it was
7 never going to pass, but why wouldn't she
8 accept it?

9 MR. MARGOLIS: I was here and
10 argued that. I don't understand why
11 everybody wouldn't turn around and support
12 something like that. And bipartisan go down
13 and argue in Albany. I was even here and
14 said I would go myself and argue but this is
15 where we are at unfortunately.

16 If this thing passes, whoever
17 votes for this -- put a piggyback on your
18 desk, when you decide where you go to vote,
19 that's my kids money. If you vote yes on
20 this you are stealing my children's money,
21 so look at that piggyback bank and remember
22 that.

23 Mr. Roland Skemer.

24 MR. SKEMER: Good evening. My
25 name is Roland Skemer and I live in

1 Reassessment Update/3-4-20

2 Plainview and I fall in the same situation
3 as some of the people who spoke before me.

4 Moving into a new dream home for
5 my family, we worked hard, we saved, we did
6 everything we could to do that.

7 I knew my taxes were going to
8 move up to the appropriate rate for what a
9 new construction home in Plainview should
10 be. Mid 20s or so was what I anticipated
11 still very high, but this is the price of
12 living on Long Island and in certain
13 neighborhoods. And budget accordingly.

14 As soon as the Taxpayer
15 Protection Plans came out to see that my
16 rate that I should have without the taxpayer
17 plan was \$25,000, I was like, all right, I
18 did my math correctly.

19 Then to see with the Taxpayer
20 Protection Plan that's supposed to help
21 taxpayers, it would jump up to almost
22 \$39,000. That's a ridiculous number.

23 Again, everyone's situation is
24 different. I can understand where someone
25 paying \$1,500 might be too much for them.

1 Reassessment Update/3-4-20

2 Someone paying \$5,000 might be too much.

3 An additional 13 or \$14,000 over
4 what I should be paying to subsidize every
5 one else, I can't do that.

6 And to make matters worse, I
7 can't sell my home. Who is going to buy my
8 home with \$40,000 in taxes in Plainview. I
9 don't live in a gated community. I don't
10 have a pool. I don't have a guest house. I
11 don't live in Muttontown. It's not
12 feasible.

13 It's literally ruining families.
14 That's pretty much what I have to say.

15 CHAIRMAN NICOLELLO: Just a point
16 of clarification. Were you in the same
17 development that was addressed or a
18 different part of the Plainview.

19 MR. SKEMER: It's a house like
20 mine.

21 LEGISLATOR RHOADS:

22 MR. HEEND:

23 CHAIRMAN NICOLELLO: Okay.
24 Elaine Licari.

25 MS. LICARI: My name is Elaine

1 Reassessment Update/3-4-20

2 Licari from Floral Park, New York.

3 Before I give your my venue, I
4 would like to thank the Legislature and
5 especially for Presiding Officer Nicoletto
6 for demanding transparency. You are the
7 Taxpayer Protection Plan. You are.

8 When I moved here about five
9 years ago, I knew that I was going to pay
10 higher taxes than where I was before.
11 Triple. But that was okay. I could have
12 lived cheaper down in Florida, but I wanted
13 to live near my children, all of who live in
14 Nassau. But then when I saw what happened
15 with the new assessment -- by the way, when
16 I bought my house, it was up for sale for
17 quite a while before I gave them an offer.
18 They did not get their asking price.

19 I paid \$490,000 for my house.

20 Then with the new assessment it
21 came out \$632,000.

22 That's not five percent. That's
23 not a ten percent increase.

24 So I went to the department
25 personally and I told them I was not

1 Reassessment Update/3-4-20

2 accepting it.

3 I asked for a face-to-face
4 because I did my own comps.

5 First of all, the website is
6 horrible. I'm not a computer expert, but if
7 you put an address in it says no property
8 found. You have to put the section block
9 and lot number. You can't find it just by
10 the address. So forget that.

11 So I handed this in saying I did
12 not agree with this assessment.

13 I got a call from a woman from
14 the department saying, well, we'll lower it
15 to \$560,000.

16 I said rather than go through a
17 big battle, I accepted it. Mailed in my
18 form.

19 But I never saw the change in the
20 assessment. So I went there again in
21 person.

22 I filled out another form and I
23 handed it in.

24 But low and behold it still comes
25 out to \$603,404 dollars.

1 Reassessment Update/3-4-20

2 So why did I agree to the
3 \$560,000? This is bait and switch. This is
4 absolutely insane.

5 First of all, all the houses on
6 my block were built about the same time and
7 I believe by the same builder.

8 But there were such a disparity
9 in the valuations of the homes and I seen
10 now that they're a little bit better.

11 But most recently there were two
12 houses on Plainfield Avenue which is a Main
13 Street by the way. I have to wait to come
14 out of my driveway for quite a while before
15 I can get out from my driveway.

16 Most recently houses sold on 263
17 Plainview sold April 1st, 2019, for
18 \$507,000.

19 And a house two doors from me
20 also sold for 500 and change, lower 500. I
21 think this is a travesty.

22 Thank you, and I am saying this
23 to you, Mr. Nicolello, I am a Democrat but I
24 thank you for the transparency.

25 CHAIRMAN NICOLELLO: I have a

1 Reassessment Update/3-4-20

2 question for you.

3 After you had received the
4 commitment or representation that it was
5 going to be lowered to 560 or around there,
6 then you found out it wasn't, what did you
7 do?

8 MS. LICARI: They never changed
9 it.

10 CHAIRMAN NICOLELLO: Did you ever
11 speak to anyone at the Department of
12 Assessment?

13 MS. LICARI: Not yet.

14 CHAIRMAN NICOLELLO: Do you know
15 who you speak to the first time?

16 MS. LICARI: A woman. I think
17 her name was Jeana or something like that.
18 I have her recording on my phone. I still
19 have it. I went to two different seminars
20 on this. One in Floral Park Library. I
21 couldn't get in, because I needed help.

22 I do have comps but not from the
23 Nassau website.

24 That Nassau website is very
25 difficult to use.

1 Reassessment Update/3-4-20

2 CHAIRMAN NICOLELLO: I agree 100
3 percent. Have you challenged your
4 assessment this year?

5 MS. LICARI: I will.

6 CHAIRMAN NICOLELLO: Do you have
7 one pending?

8 MS. LICARI: I didn't yet, but I
9 will, I definitely will. April 2nd. Thank
10 you very much for the demand of
11 transparency. I will forever appreciate it.

12 Because now I can live near my
13 kids instead of moving to Florida where I
14 don't know anybody.

15 CHAIRMAN NICOLELLO: Thank you
16 very much. Robert Ingwer.

17 MR. INGWER: Hi. Thank you very
18 much for the time. So I'm a resident of
19 Plainview. Just moved there in 2018.

20 I'm in a very similar boat as
21 Mike and Roland over here. A new family,
22 young family moved to Plainview. Bought a
23 new construction home and was shocked with
24 the level of the increase in my tax rate and
25 my taxes. To the point where we're thinking

1 Reassessment Update/3-4-20

2 of splitting because I feel the same way.

3 You're taking it from me and my
4 family and my kids to subsidize everybody
5 else.

6 So I'm paying for my neighbors.

7 Based on the Taxpayer Protection
8 Plan, which is typical of government, right,
9 to misnomer it, I'm going to overpay by
10 \$70,000 in the next five years, out of my
11 kid's mouths, college education, camp,
12 school, whatever it is I want to give to my
13 children is going to be taken from them and
14 out my pocket that I have to work for to
15 make up. How is that okay?

16 I don't mind paying my taxes. I
17 get it. I bought an expensive home. I
18 bought new construction. My taxes are going
19 to be higher than other people here. I
20 understood that going in.

21 But the level that the taxes went
22 to is becoming a struggle. How do I save
23 money? How do I put money away? How do I
24 survive?

25 Does anybody do the calculation

1 Reassessment Update/3-4-20
2 of how much you have to make to make up that
3 money so you are not under water for the
4 next five years? I bet you no one here has
5 a budget. Nobody calculates how much you
6 make and how much you spend and put away at
7 the end of each year. I do. My wife and I
8 sit down with a spread sheet every single
9 day and talk about it.

10 We've calculated how much money
11 is going to come out of our pockets for
12 this.

13 Instead of feeling good about
14 coming to a neighborhood which we love. We
15 love Plainview. We met wonderful friends
16 with wonderful families, you're driving
17 young families like us away.

18 Instead of encouraging us to come
19 here, because, look at us, we are the future
20 of this town. We are the future.

21 Our kids are the future.

22 Which are the future taxpayers of
23 this town. You should want to encourage
24 people like us to come here to live here.
25 To feel like, you know what, it's a

1 Reassessment Update/3-4-20
2 wonderful neighborhood, that, yes, it's
3 expensive, great schools, but going into it
4 you understand that you are going to pay
5 what you believe is fair, what you believe
6 is appropriate.

7 And based on this new plan and
8 what's about to be passed, I'm sorry, but
9 it's just not. Thank you.

10 CHAIRMAN NICOLELLO: Mr. Moog or
11 Mr. Miles, the issue of these Plainview
12 homeowners, is it because of the way new
13 construction is factored into -- not
14 factored into the phase-in, is that what is
15 creating these extreme results?

16 MR. MOOG: That's correct,
17 because the legislation was drawn to be
18 parallel to 1805 and, the legislation,
19 physical changes were not granted the
20 exemption going forward because the belief
21 was that it wouldn't pass through Albany
22 without having been consistent with our law.

23 CHAIRMAN NICOLELLO: Is there a
24 way --

25 CHAIRMAN NICOLELLO: Mr.

1 Reassessment Update/3-4-20

2 Margolis, if --

3 MR. MARGOLIS: No. You should be
4 arrested. I work damn hard. I work hard --
5 when you have to pay \$42,000 for something
6 that cost \$23,000. You would be in the same
7 position that I am in.

8 CHAIRMAN NICOLELLO: Did you hear
9 the question, Mr. Moog?

10 Mr. Rhoads, would you like to ask
11 your question?

12 LEGISLATOR RHOADS: Yes, I would.
13 I'm going to try to cut to the chase on a
14 lot of these questions, and, Mr. Moog, I
15 think based on some of the comments we just
16 heard, the County Executive may want to
17 reconsider whether she's calling this a
18 Taxpayer Protection Plan.

19 If she's going to do that, she
20 needs to explain how this protects somebody
21 like Mr. Margolis, or somebody like Mr.
22 Salmon or many of the other residents that
23 got up to speak here.

24 Doesn't sound like they're
25 getting protected by this.

1 Reassessment Update/3-4-20

2 With respect to the transitional
3 phase-in and something that wasn't mentioned
4 today, that I also want to ask, how is Super
5 Storm families since my district is all
6 along Long Island's South Shore.

7 How is a family, for example, was
8 told by the state that they're mandated to
9 elevate their home or decided to participate
10 in the optional elevation program because
11 many of that -- much of that construction is
12 still going on.

13 How does this transitional
14 phase-in plan protect them or does it?

15 MR. MILES: Well, there was an
16 initial protection under 1803B possibly of
17 the Real Property Tax Law under Governor
18 Cuomo's plan to protect individuals affected
19 by Sandy when they were getting their
20 improvements.

21 So I believe those were phased in
22 over time, another phase-in, and I believe
23 that includes lifting.

24 So that took place, this is
25 before I arrived here, but I believe for

1 Reassessment Update/3-4-20

2 four five years until it was phased out.

3 LEGISLATOR RHOADS: But the
4 problem is there are still homes being
5 lifted now, was that considered at all?

6 MR. MILES: The thing is,
7 dependent upon the lifting and what type of
8 construction is being included, if there's
9 lifting and little livable square footage
10 that's in there, there is a difference
11 between lifting for the purpose of lifting.

12 So each person's construction is
13 going to be different so giving you a
14 blanket statement doesn't really help in
15 this situation.

16 If it's lifting without the
17 increase in liveable square footage it's --

18 LEGISLATOR RHOADS: What if their
19 square footage doesn't change at all? Let's
20 say just the fact of lifting and now their
21 house is storm resilient, it increases the
22 value of their home by 100, \$150,000?

23 MR. MOOG: If the lifting doesn't
24 increase the square footage?

25 LEGISLATOR RHOADS: If the

1 Reassessment Update/3-4-20

2 lifting doesn't increase the square footage.

3 MR. MILES: I think it would have
4 to increase the square footage. I don't
5 know if it's possible without adding square
6 footage. It depends on the livability, what
7 type of living area is in there.

8 LEGISLATOR RHOADS: The first
9 floor in Sandy homes is not supposed to be
10 livable space, in other words, you can use
11 it as for --

12 MR. MILES: Some individuals will
13 have.

14 LEGISLATOR RHOADS: You can use
15 for storage but can't use it as liveable
16 space. However, for homes that are now
17 storm resilient, there is a value assigned
18 to that.

19 What many of these homeowners are
20 finding is that the market value of their
21 home, even though the liveable square
22 footage is not changing, the market value of
23 their home has increased. When that
24 increase is reflected in our assessment,
25 they're not part of any phase-in plan.

1 Reassessment Update/3-4-20

2 MR. MOOG: It depends if the
3 value is increased it would call a physical
4 increase, a new construction increase or if
5 it was increased because we looked at the
6 market value increase.

7 I would have to look at the
8 property, the property, as I understand it,
9 there are a lot of different variations on
10 Sandy properties. Some properties that were
11 raised became more valuable but it wasn't
12 put on as a physical increase, it was just
13 put on the market value increase.

14 Sometimes if you receive some
15 physical and some market value increase, the
16 physical portion would not be phased in, but
17 the rest of the market value would be.

18 Sometimes it would receive a
19 partial exemption based on how much of the
20 value of the property increased because of
21 market value change compared to actually new
22 construction values. So it's case by case.

23 So certain properties have a lot
24 of market value change and very little new
25 construction change from being raised; other

1 Reassessment Update/3-4-20

2 ones, vice versa, depends on the ratio that
3 occurred on each property.

4 Sandy property is very different
5 because that's why we have a certain staff
6 especially assigned just to do Sandy
7 property because there are so many different
8 variations that occurred.

9 LEGISLATOR RHOADS: Thank you.
10 With respect to how the phase-in is going to
11 work, I think where we left off in our
12 questioning was, you were talking about the
13 utilization of tentative figures as opposed
14 to final assessment roll as the starting
15 point for this transitional phase-in plan.

16 Using your example from your
17 power point presentation of a home with a
18 \$500,000 market value, the pages aren't
19 numbered on the paper copy of your plan, of
20 your presentation, and I think it's page
21 nine.

22 MR. MOOG: I have it here, yes.

23 LEGISLATOR RHOADS: How is the
24 taxpayer protection exemption calculated?
25 Let's use that same \$500,000 home.

1 Reassessment Update/3-4-20

2 What happens if -- we're taking a
3 home with a value of \$400,000 and saying
4 it's worth 500.

5 Let's assume that for the
6 purposes of this example?

7 MR. MOOG: Okay.

8 LEGISLATOR RHOADS: The exemption
9 base then is set at the \$500,000 value
10 because it's based on the tentative roll,
11 correct?

12 MR. MOOG: The exemption is
13 calculated off the \$500,000, yes.

14 LEGISLATOR RHOADS: Let's assume
15 there is a successful challenge, that they
16 grieve their taxes, either at ARC or the
17 result of the final SCAR proceeding. There
18 is a determination that the value the home
19 is \$425,000.

20 MR. MOOG: Okay.

21 LEGISLATOR RHOADS: However, the
22 exemption is still going to be based upon
23 the \$500,000 value.

24 MR. MOOG: The exemption will
25 still be \$80,000, correct.

1 Reassessment Update/3-4-20

2 LEGISLATOR RHOADS: So at the end
3 of five years because \$20,000 is being taken
4 off every single year, that home with a
5 value of \$425,000 is only going to be taxed
6 on \$350,000 worth of value.

7 MR. MOOG: In the first year,
8 yes, it will get the reduction. So it
9 receives the entire benefit of the reduction
10 in that first year where if we recalculated
11 the exemption based on the reassessment from
12 ARC or from SCAR, they would have to wait
13 five years to be realized, that entire
14 reduction over five years, and that was the
15 decision-making process made by the County
16 Executive at the time that people, received
17 a reduction, should receive the full benefit
18 of the reduction in the first year rather
19 than wait the five years.

20 LEGISLATOR RHOADS: So in year
21 one, what that individual's taxes be?

22 MR. MOOG: The taxes would be
23 based on 425 minus the \$80,000.

24 It would be, if you do the
25 calculation, late in the evening, trying to

1 Reassessment Update/3-4-20

2 get a number. 75,000 less, that would be --

3 LEGISLATOR RHOADS: 425 minus

4 \$80,000. Based on a taxable assessment of

5 345.

6 LEGISLATOR RHOADS: Right. The

7 point is, the value of their home is four

8 and a quarter, but they're only being

9 charged at 345,000.

10 MR. MOOG: Yes. 345, because of

11 the exemption, yes.

12 LEGISLATOR RHOADS: By using the

13 tentative values, you have created a

14 situation where we over valued their home

15 and they're successful in getting a

16 grievance, then they're actually going to be

17 paying less than what they are supposed to

18 be paying after that adjudication.

19 MR. MOOG: For that one year, but

20 over the five years it would still be the

21 same.

22 LEGISLATOR RHOADS: It would

23 eventually even out?

24 MR. MOOG: It will even out

25 because if you did the exemption based on

1 Reassessment Update/3-4-20

2 the 425, then they would only be receiving a
3 \$5,000 exemption and then they would have to
4 wait five years to receive the full benefit
5 of that reduction over the five years.

6 MR. MILES: And the rest of the
7 five years increases and decreases are
8 rolled into it immediately.

9 MR. MOOG: But the idea was that
10 if you received a reduction, you received
11 the benefit of the reduction immediately
12 rather than wait for five years.

13 MR. MILES: And future years as
14 well.

15 LEGISLATOR RHOADS: But the
16 problem with that was that when that
17 homeowner is supposed to be paying 425 is
18 only paying 345 because it's based on the
19 tentative roll, the burden shifts to the
20 remaining homeowners in that area, correct?
21 Zero sum game.

22 MR. MOOG: Yes, you're correct on
23 that.

24 LEGISLATOR RHOADS: So that's
25 using a \$500,000 example.

1 Reassessment Update/3-4-20

2 Let's take this and extrapolate
3 it to homes for example on the North Shore,
4 homes where under questioning by Legislator
5 DeRiggi-Whitton you indicated that some of
6 these high value properties on the north
7 shore, the assessments that the Department
8 of Assessment came up with "to use your
9 terminology" were indefensible.

10 So what happens when you have a
11 home that's valued at \$5 million that they
12 successfully grieved to \$4,250,000?

13 MR. MILES: Just a correction.

14 LEGISLATOR RHOADS: That's a
15 \$750,000 burden that's going to shift to
16 other homeowners in that area; is it not?

17 MR. MILES: Indefensible.

18 MR. MOOG: It is correct but you
19 have to realize that that burden then shifts
20 back over the five years.

21 In the end if we did it from the
22 tentative roll, you still have that shift to
23 be spread over five years, this way you get
24 it in one year.

25 In the end, the tax burden over

1 Reassessment Update/3-4-20

2 the five years is still net zero. It just
3 depends if you receive it in one year or
4 over five and that was the thinking of the
5 policy.

6 LEGISLATOR RHOADS: But for the
7 person that's writing a check in year one,
8 my taxes are going up because we decided to
9 use a tentative value and I happened to be
10 this individual's neighbor because he's
11 basing his taxes on a value that's deflated
12 because we decided to lock in the rate at
13 the tentative value as opposed to the actual
14 value that the home has determined through
15 the grievance process.

16 MR. MOOG: In year one, but that
17 would be offset in year two, three, four,
18 five.

19 LEGISLATOR RHOADS: But that
20 doesn't help me pay my taxes in year one.

21 MR. MOOG: Well, this was, again,
22 what the policy decision was, and why we
23 made that policy decision. It was so people
24 who grieved would realize the entire
25 reduction in the grievance year rather than

1 Reassessment Update/3-4-20

2 wait for five years.

3 Over the five years, the net
4 effect is still the same over the five years
5 for the griever and non-griever.

6 MR. MILES: Just to put this on
7 the record, the indefensible is a
8 mischaracterization.

9 LEGISLATOR RHOADS: I would have
10 to go back into the transcript.

11 MR. MILES: I'm just saying from
12 the department's standpoint, we believe our
13 values are accurate.

14 LEGISLATOR RHOADS: I'm not sure
15 whether the terminology was not defensible
16 or indefensible or what was used, by clearly
17 I think there would be a concession that on
18 some of these high value properties the
19 Department of Assessment fell short of its
20 accuracy goal. Would that be fair to say?

21 MR. MOOG: In any reassessment
22 you are not going to be 100 percent accurate
23 on every property so that's the reason why
24 you have the adjudication process at ARC.

25 LEGISLATOR RHOADS: But the

1 Reassessment Update/3-4-20

2 reality is that residents that have
3 successful challenges will enjoy the benefit
4 of an outsized exemption base based on the
5 decision that we were going to use the
6 tentative roll as opposed to using the final
7 roll, correct?

8 MR. MOOG: They would receive the
9 entire benefit of the reduction in the first
10 year rather than waiting for five years.
11 Again, that was the thinking of why the
12 policy was set that way.

13 LEGISLATOR RHOADS: Which means
14 that they're receiving more of a benefit in
15 year one than they're entitled to, correct?

16 MR. MOOG: They received the
17 benefit that the law entitles them to in
18 that one year, and, again, as I said before,
19 Mr. Rhoads, the benefit was decided that you
20 would receive the entire benefit the first
21 year rather than wait five years, still zero
22 sum game over the five years.

23 LEGISLATOR RHOADS: But it's
24 still a zero sum game in year one.

25 MR. MOOG: In year one, yes.

1 Reassessment Update/3-4-20

2 LEGISLATOR RHOADS: It means that
3 ultimately, as has been alluded to here, the
4 people who are -- other people will be
5 subsidizing that particular homeowners'
6 taxes?

7 MR. MOOG: In year one, yes,
8 anyone who wins a grievance, the remaining
9 people would making up the difference, yes.

10 MR. MILES: But then they don't
11 receive the benefit of the reduction in year
12 one, so we just phase it in, so they don't
13 get the benefit of receiving their
14 administrative remedy. That's the
15 difference.

16 LEGISLATOR RHOADS: Mr. Margolis,
17 I'm not the Presiding Officer, but we can't
18 have people shouting out, all right? You
19 had an opportunity for public comment.
20 We've got an opportunity to ask questions
21 perhaps at the conclusion of this.

22 CHAIRMAN NICOLELLO: No, no. If
23 you keep shouting out, we're just going to
24 let everyone go home. Mr. Rhoads can finish
25 up.

1 Reassessment Update/3-4-20

2 LEGISLATOR RHOADS: I'm going to
3 finish up. To go back to the topic of
4 Prognose for example for a moment.

5 Do you recall what we actually
6 paid for the Prognose software? It was
7 about \$970,000, correct?

8 MR. MILES: The first year and
9 that included installation and the first
10 year license. Then, after that, 530 and
11 525, I think you can quote me on that.

12 LEGISLATOR RHOADS: We paid the
13 \$530,000 for this year, correct?

14 MR. MILES: No. We are still
15 going through, this is year two of the
16 contract, so we are still invoicing every
17 quarter.

18 LEGISLATOR RHOADS: But at the
19 conclusion of this year we will have paid
20 for \$530,000?

21 MR. MILES: Yes.

22 LEGISLATOR RHOADS: So,
23 essentially, one and a half million of
24 taxpayer dollars has been spent on this
25 Prognose system, correct?

1 Reassessment Update / 3-4-20

2 MR. MOOG: Correct.

3 LEGISLATOR RHOADS: The
4 administration at the time the Prognose
5 system was brought to us for consideration,
6 they circulated a memorandum that was sent
7 to us which indicates the County Executive
8 has embarked on an initiative to provide
9 taxpayers with transparency regarding the
10 process of valuing homes.

11 "The Department of Assessment
12 realized that current systems did not have
13 the availability to generate, they used the
14 word comprehensible reports, that would
15 assist taxpayers in understanding how the
16 Department of Assessment assesses their
17 properties and administers their values
18 because the Department of Assessment lacks
19 such technology or reports, the Department
20 of Assessment employees had a difficult time
21 explaining the system in answering taxpayer
22 questions which has left the county's
23 taxpayers even more frustrated and confused.

24 Lacking sophisticated
25 programming, the Department of Assessment

1 Reassessment Update/3-4-20
2 was unable to provide comparable properties
3 to the taxpayer which justified their
4 property's value making the assessment
5 process seem all the more inequitable and
6 puzzling to taxpayers.

7 Jumping ahead two paragraphs,
8 unlike any other assessment modeling tool,
9 Prognose does not mask the means and method
10 used to develop values.

11 The Prognose software enables
12 staff, especially outreach, to demonstrate
13 to taxpayers the comparable sales utilized
14 and adjustments made to generate assessed
15 values.

16 It is the department's opinion
17 based upon the customized models and open
18 platform and process available in Prognose
19 that this is the only tool on the market
20 that can quickly and effectively generate a
21 valuation package that is comprehensible to
22 taxpayers."

23 That's what was put out by the
24 administration and the Department of
25 Assessment to justify the use of Prognose.

1 Reassessment Update/3-4-20

2 It wasn't about what was easy. It was about
3 transparency. It was about making sure that
4 the taxpayer understood exactly how the
5 Department of Assessment calculated the
6 value of their home so that they could be
7 used as a tool in evaluating, one, whether
8 they should grieve, and, two, how they could
9 go about the grieving process and build
10 their case if they felt their assessment was
11 wrong.

12 Isn't it true that that was one
13 of the additional motivating factors behind
14 Prognose?

15 MR. MOOG: Yes, it was.

16 LEGISLATOR RHOADS: Why is that
17 no longer a motivating factor today? Why is
18 transparency no longer important?

19 MR. MOOG: The transparency was
20 used in '20-'21 roll where we did provide
21 the comparables and the entire assessment
22 ladder.

23 Upon completion of that tax roll,
24 the decision was made by my office, by me,
25 that we would try to see the most accurate

1 Reassessment Update/3-4-20
2 way to come out with the '21-'22 assessment
3 roll.

4 From that analysis we decided
5 that using a trend, based on the school
6 district, utilizing the Assessment Review
7 Commission decisions that we would have on
8 hand, which would be fine tuning basically
9 what the model did, as well as taking
10 account high value and the physical
11 properties, we would generate the '21-'22
12 roll using a common method that is used
13 throughout the state and throughout the
14 country.

15 The results of that roll like I
16 stated before came out to a roll that was
17 even more accurate.

18 The ability for taxpayers to
19 grieve has not been abridged by this nor has
20 the availability of data that would be used
21 by the taxpayer knowing that it was based
22 either on the prior roll, in which the
23 ladder is still being provided, or based on
24 the comparables that were provided at ARC
25 which the taxpayer himself or the taxpayer

1 Reassessment Update/3-4-20

2 representative provided, which would be the
3 means of which the property is valued.

4 The trend was basically looking
5 at the sales of each school district and
6 those sales are available and the trends we
7 will move to have those trends put on the
8 assessment roll.

9 In the end, taxpayers will still
10 be grieving on the individual assessment
11 based on the individual comps but in the
12 bottom line we still came out with a more
13 accurate roll using this trended method.

14 In the future, we were deciding
15 if we would be using the trended or
16 combination trended or a hybrid using
17 Prognose, but we will be using Prognose to
18 defend the '20-'21 roll which we would not
19 be able to do without the Prognose system,
20 because it's a muti-faceted tool that can be
21 used in many different fashions.

22 LEGISLATOR RHOADS: Your
23 intention is to use Prognose to defend the
24 county?

25 MR. MOOG: On the '20-'21 roll.

1 Reassessment Update/3-4-20

2 LEGISLATOR RHOADS: As opposed to
3 the stated intention of Prognose which was
4 to use -- was for taxpayers to use Prognose
5 as a tool to be able to understand how the
6 county achieved its values.

7 MR. MOOG: One of the stated
8 rolls, and I also stated in that testimony,
9 that we would also be using it to SCAR, and
10 the '20-'21 roll, where we did put the
11 ladder on in the comparables, is the same
12 roll that we're using for SCAR, so it's the
13 same use of the same tool on the same
14 assessment roll.

15 LEGISLATOR RHOADS: Mr. Moog, do
16 you believe that the taxpayer has a right to
17 understand how the county achieved the
18 values that it determined by the Department
19 of Assessment?

20 MR. MOOG: Yes, I do.

21 LEGISLATOR RHOADS: Without the
22 use of the Prognose tool, how is the
23 taxpayer supposed to do that?

24 MR. MOOG: The '20-'21 roll,
25 which they have the full set of analysis for

1 Reassessment Update/3-4-20

2 was trended, so if we wanted to know how we
3 came up with the value, we took the prior
4 value and trended it up.

5 LEGISLATOR RHOADS: Where are the
6 percentage neighborhood values demonstrated
7 for the taxpayer?

8 How is the taxpayer supposed to
9 know what the factor increase was as
10 determined by the Department of Assessment
11 for their particular school district?

12 Where is that information
13 available?

14 MR. MOOG: We will be posting on
15 line but it's simply the fact -- don't
16 interrupt me Mr. Rhoads. I said it's simply
17 the fact of taking the '20-'21 roll, taking
18 the '21 roll and minus one figure against
19 the other and you know how much the value
20 went up. It's simple trend.

21 When we explain this in our
22 community outreach, we had no problem with
23 the taxpayers, they were actually very
24 pleased with the explanation.

25 We did speak to over a thousand

1 Reassessment Update/3-4-20

2 taxpayers over the past two months on this
3 topic and saw no objections to that.

4 LEGISLATOR RHOADS: So out of
5 383,000 residential homeowners you spoke to
6 a thousand?

7 MR. MILES: The conversation
8 keeps on coming up regarding SCAR, and that
9 they don't have the ability to see the
10 comparables for the '20-'21 SCAR, I don't
11 understand that point because they do have
12 it for the '20-'21 SCAR and they can see the
13 comparables for the '20-'21 SCAR and they
14 can challenge it, the '20-'21 SCAR for this
15 year based on what was posted online.

16 LEGISLATOR RHOADS: Mr. Miles,
17 last year when ARC conducted its seminars on
18 how to grieve your own taxes, in those
19 seminars, taxpayers were instructed that
20 they can go to Prognose to find the
21 comparables that were used to determine the
22 particular value of their home.

23 MR. MOOG: As well as Arrow, yes.

24 LEGISLATOR RHOADS: Right. And
25 they were also shown or should have been

1 Reassessment Update/3-4-20
2 shown the ladder report so they can see
3 exactly how the value of their home was
4 built, correct?

5 MR. MILES: Yes.

6 LEGISLATOR RHOADS: Prognose is
7 still present and available on your website,
8 correct?

9 MR. MOOG: For the '20-'21 roll,
10 yes.

11 LEGISLATOR RHOADS: But those
12 values are not accurate with respect to the
13 '21-'22 roll, correct?

14 MR. MOOG: The '21-'22 roll is a
15 simple trend from those figures.

16 LEGISLATOR RHOADS: I understand,
17 however, if it were not for the fact that we
18 raised the issue today that the trends
19 weren't available on the county's website,
20 since January 1st, so approximately for the
21 last 70 days or so, the people have had
22 their right to grieve their taxes, they have
23 no idea how the Department of Assessment
24 actually built its roll for this year,
25 correct?

1 Reassessment Update/3-4-20

2 And the information that's
3 present on the county's website, because
4 Prognose is still up there and still hasn't
5 been updated actually is wrong?

6 MR. MOOG: Prognose number was
7 for '20-'21 and the '21-'22, all taxpayers
8 received a notice of what the new figure is,
9 and you, as a taxpayer, would see that
10 increase five, four, three, two, one
11 percent, and you would make your judgement
12 call to see from the comparables being
13 provided on the Arrow System if you should
14 be grieving. That's how it's done in almost
15 every other jurisdiction.

16 LEGISLATOR RHOADS: You were
17 saying that by taking a look at my specific
18 taxes I can calculate how much the increase
19 was for my particular home?

20 MR. MOOG: Yes. You receive a
21 notice -- not the taxes, the assessment, you
22 do see the prior value and the current
23 value.

24 LEGISLATOR RHOADS: Great. How
25 am I supposed to know as a homeowner that

1 Reassessment Update/3-4-20

2 that percentage increase doesn't apply to
3 just to my home but applies to the entire
4 community, my entire school district?

5 MR. MOOG: You only grieve your
6 home. You don't grieve the community, you
7 don't use comparable assessments.

8 LEGISLATOR RHOADS: But the point
9 of this, Mr. Moog, of Prognose, initially,
10 the memo you sent out, was to provide
11 additional transparency so the homeowners
12 could understand the math, so that
13 homeowners can understand how it was that
14 the Department of Assessment achieved the
15 value you are saying my home was worth, how
16 am I supposed to do that if I don't how it
17 was actually built?

18 If you don't provide me the
19 explanation that you simply took a trending
20 analysis as opposed to determining the value
21 of my individual home, if you simply looked
22 at my school district and said, generally,
23 prices in Wantagh or prices in Bellmore or
24 prices in Merrick went up by four percent,
25 five percent, six percent, how am I supposed

1 Reassessment Update/3-4-20

2 to know that it's not the value of my home,
3 that it's the value of every home in my
4 school district that was used to determine
5 that number?

6 MR. MILES: I'm under the
7 impression that this was put out there
8 through our communications team from the
9 County Executive's office and that this was
10 a Newsday article about a month and half
11 ago, two months ago, regarding the trending.
12 I believe this was publically stated.

13 LEGISLATOR RHOADS: One, I have
14 no recollection of that article.

15 Two, putting it out in an article
16 in Newsday, with all due respect to Newsday,
17 not everybody reads that, you sent out
18 mailings, in fact we got a nice fancy
19 mailing from the County Executive about this
20 Taxpayer Protection Plan, did anybody think
21 to send an individual mailing to individual
22 taxpayers to let them know that there was a
23 change in the way their taxes were being
24 calculated?

25 MR. MILES: There was no change

1 Reassessment Update/3-4-20

2 in the way their taxes were being
3 calculated.

4 LEGISLATOR RHOADS: I'm sorry.
5 I'm not as knowledgeable on the terminology
6 as you. How the process through which their
7 assessment was being calculated had changed?

8 MR. MOOG: Again, we put a press
9 release out and, again, when a taxpayer
10 receives a notice of assessment, they will
11 see the increase there and it's a slight
12 trend.

13 As every year, every market value
14 should be changing as it is done in every
15 assessing jurisdiction.

16 When anyone receives a notice,
17 they would receive the notice and see if the
18 values went up three, four, five percent.

19 It's irrelevant if they would
20 know if all their neighbors went up by the
21 same percentage, it's relevant to see if
22 their value in the end of the day is
23 justifiable or not justifiable based on the
24 comparable sales or what they believe the
25 property is worth.

1 Reassessment Update/3-4-20

2 MR. MILES: Which included the
3 nuanced logic of including the physicals and
4 what's rolled in, the Assessment Review
5 Commission.

6 CHAIRMAN NICOLELLO: We are going
7 to conclude in the next ten minutes.

8 LEGISLATOR RHOADS: So, just out
9 of curiosity, in your opinion, it's okay for
10 the County Executive to spend taxpayer
11 dollars to send out a mailer to every home
12 saying we need Republican legislators to
13 quit stalling and pass the Taxpayer
14 Protection Plan.

15 But it was not justifiable to
16 spend money notifying those taxpayers how
17 their assessment was being calculated?

18 MR. MILES: Well, the Taxpayer
19 Protection Plan has to be implemented
20 immediately. It was to be implemented
21 immediately. We made that case.

22 LEGISLATOR RHOADS: Homeowners
23 are grieving their taxes now. Homeowners
24 were grieving their taxes two months ago
25 when the process started on January 2nd.

1 Reassessment Update/3-4-20

2 MR. MILES: That's correct.

3 Based on the notice of tentative assessment
4 mailed.

5 LEGISLATOR RHOADS: The time for
6 information to be put out to taxpayers was
7 at the time this grievance process was
8 starting if not before.

9 If you were changing the rules of
10 the game, Mr. Moog, which is exactly what's
11 happened here, you've gone to a modeling
12 model, as opposed to an actual assessment.

13 Taxpayers had the right to know
14 that you were changing the method by which
15 you were calculating the value of their
16 home, separate and apart from --

17 MR. MOOG: Taxpayers, when they
18 grieve, they grieve strictly their value,
19 not the means or the methods to get to that
20 value. At the end you only grieve, and
21 based on comparable sales, from that, from
22 any method that was used, from trend or
23 model, you have the right to grieve based on
24 the value from comparable sales, not on the
25 actual means of how I get to the value.

1 Reassessment Update/3-4-20

2 LEGISLATOR RHOADS: As a
3 taxpayer, I not only have the right to
4 challenge my value, I have the right to
5 challenge the methodology you used in
6 achieving it.

7 MR. MOOG: Only if that
8 methodology is arbitrary and capricious.

9 LEGISLATOR RHOADS: How would I
10 tell if it's arbitrary and capricious, you
11 don't even tell me what it is.

12 MR. MOOG: Throughout the
13 assessing world, it's the challenge of the
14 value, not on the method.

15 Only the method is truly
16 arbitrary and capricious.

17 The method that we employed was
18 not arbitrary nor capricious and in the end
19 the result was a more accurate tax roll.
20 That was my job, to try to put out a tax
21 roll as accurate as possible.

22 LEGISLATOR RHOADS: But, again,
23 you don't know whether the '21-'22 roll is
24 accurate. You just put it out. We are in
25 the middle of the grievance process now.

1 Reassessment Update/3-4-20

2 MR. MOOG: I believe it is.

3 LEGISLATOR RHOADS: You won't
4 know the accuracy of that roll until that
5 process plays out. You may think it's more
6 accurate and I hope you're right, but you
7 might not be.

8 MR. MILES: At the moment, the
9 statistics say, at this very moment, it's
10 six and a half. It's irrefutable. Accurate
11 at this moment.

12 LEGISLATOR RHOADS: Those
13 statistics have not been tested by the
14 reality of the grievance process.

15 MR. MOOG: That is correct, and I
16 believe after the grievance process it will
17 bear out that this is a very accurate tax
18 roll, assessment roll.

19 LEGISLATOR RHOADS: We will see
20 if you are right some time in September of
21 '20-'21 I guess.

22 MR. MOOG: Yes, we will.

23 MR. MILES: We hope we have your
24 support.

25 LEGISLATOR RHOADS: I have no

1 Reassessment Update/3-4-20

2 further questions.

3 CHAIRMAN NICOLELLO: I think that
4 concludes the hearing. Thank you, Mr. Moog
5 and Mr. Miles. Thank you all present who
6 came out. That's all we have tonight.

7 (Whereupon, the Assessment
8 Hearing adjourned at 10:35 p.m.)

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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.

FRANK GRAY