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NASSAU COUNTY LEGISLATURE

RICHARD NICOLELLO
PRESIDING OFFICER

LEGISLATIVE SESSION

County Executive and Legislative Building
1550 Franklin Avenue
Mineola, New York

Monday, August 2, 2021
10:20 A.M.

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

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4 LEGISLATOR RICHARD J. NICOLELLO

5 Presiding Officer

6 9th Legislative District

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8 LEGISLATOR HOWARD KOPEL

9 Deputy Presiding Officer

10 7th Legislative District

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12 LEGISLATOR DENISE FORD

13 Alternate Presiding Officer

14 4th Legislative District

15

16 LEGISLATOR KEVAN ABRAHAMS

17 Minority Leader

18 1st Legislative District

19

20 LEGISLATOR SIELA BYNOE

21 2nd Legislative District

22

23 LEGISLATOR CARRIE SOLAGES

24 3rd Legislative District

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2 LEGISLATOR DEBRA MULE

3 5th Legislative District

4

5 LEGISLATOR VINCENT T. MUSCARELLA

6 8th Legislative District

7

8 LEGISLATOR ELLEN BIRNBAUM

9 10th Legislative District

10

11 LEGISLATOR DELIA DERIGGI-WHITTON

12 11th Legislative District

13

14 LEGISLATOR JAMES KENNEDY

15 12th Legislative District

16

17 LEGISLATOR THOMAS MCKEVITT

18 13th Legislative District

19

20 LEGISLATOR LAURA SCHAEFER

21 14th Legislative District

22

23 LEGISLATOR JOHN FERRETTI, JR.

24 15th Legislative District

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2 LEGISLATOR ANDREW DRUCKER

3 16th Legislative District

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5 LEGISLATOR ROSE WALKER

6 17th Legislative District

7

8 LEGISLATOR JOSHUA LAFAZAN

9 18th Legislative District

10

11 LEGISLATOR STEVEN RHOADS

12 19th Legislative District

13

14 MICHAEL PULITZER

15 Clerk of the Legislature

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2 LEGISLATOR NICOLELLO: Call this
3 hearing of the legislature to order and ask
4 Legislator Birnbaum to lead us in the Pledge
5 of Allegiance.

6 Welcome to today's hearing on
7 reassessment. Just going to say a few words
8 and then ask the representatives of the
9 administration to give a statement if they so
10 choose.

11 For years the Majority has pointed
12 out error after error in the county
13 executive's reassessment process including
14 errors involving thousands of seniors and
15 veterans being charged more in property taxes
16 due to an error applying to their exceptions
17 and many, many other errors. But of all the
18 errors we have uncovered today's that we are
19 discussing about maybe the most egregious and
20 most obvious and visible manifestations of a
21 problem in the process.

22 Last week, or in the last few
23 weeks, we have discovered that as a result of
24 the reassessment there are a number of
25 multimillion dollar homes, mansions, who pay

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2 absolutely nothing in property taxes as a
3 result of the reassessment. This at the same
4 time 65 percent of our residents have seen
5 property tax increases as a result of
6 reassessment. One property in Point Lookout
7 was the subject of \$31,000 in taxes for
8 2019-20 but in the first year under the county
9 executive's reassessment the homeowner is now
10 slated to pay no property taxes in 2021. The
11 home is an assessed value of \$4 million.

12 We've also identified homes that
13 are next to each other that are almost
14 identical that pay vastly different taxes.
15 One in Syosset. Two homes next to each
16 other. One pays \$18,000 a year more than the
17 other.

18 So, today our goal is to try to
19 find out how these anomalies took place,
20 whether these are the only properties at issue
21 and what we can do to fix these errors.

22 Gentlemen, do you want to say
23 anything to start?

24 MR. MILES: Thank you Presiding
25 Officer. Good morning legislators and thank

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2 you for having us. I was asked to attend
3 today to discuss a small handful of parcels
4 brought to our attention. After a thorough
5 review, seven parcels with an improvement were
6 less than one-thousandth of a percent of the
7 county's total residential parcels received a
8 taxable value of zero. The seven parcels are
9 impacted by a common set of circumstances.
10 Circumstances that do not affect the accuracy
11 of the county's assessment roll.

12 The assessment roll was
13 independently reviewed by multiple experts and
14 determined to be extremely accurate, exceeding
15 state and national standards. Circumstances
16 connecting this group are unique to this
17 handful of parcels.

18 The previous administration allowed
19 the assessment roll to degrade substantially
20 resulting in widespread underassessments
21 throughout the county. The broken assessment
22 roll prompted the current administration to
23 take on the first reassessment bringing
24 accuracy to the assessment roll for the first
25 time in nearly a decade. The assessment roll

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2 was broken to such a degree that the county
3 executive obtained state legislation, the
4 Taxpayer Protection Plan, to protect the
5 county taxpayers and spread out the increases
6 in their properties' assessed values.

7 The county executive submitted the
8 Taxpayer Protection Plan legislation to the
9 Nassau County legislature, which was reviewed
10 and approved by this legislative body. The
11 Taxpayer Protection Plan was applied uniformly
12 throughout the county and has exceeding in
13 benefitting taxpayers throughout Nassau
14 County.

15 This very small handful of
16 homeowners accounting for less than
17 one-thousandth of a percent again of the
18 county's total residential parcels received
19 zero taxable value due to substantial
20 undervaluation during the years of the broken
21 assessment roll and receiving a large
22 reduction in value by challenging their
23 assessments. A right that every homeowner is
24 able to exhaust in Nassau County. The county
25 supports taxpayers' rights to exhaust their

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2 administrative rights.

3 But due to this anomaly, the
4 administration asked the county attorney to
5 prepare draft state legislation to address
6 this issue. I can further explain with an
7 example if that is okay. I'll try to go
8 slowly.

9 Parcel A, a high value residential
10 property was underassessed under the broken
11 assessment system at \$810,000 for the '19-20
12 tax year. To remedy the degradation of the
13 assessment roll, the county reassessed all
14 parcels bringing parcel A's market value to
15 \$2.862 million. The Taxpayer Protection Plan
16 created a five-year exemption to ease the
17 burden of the large valuation increases from
18 the broken assessment roll to the 2020-2021
19 reassessment.

20 In this example, the exemption base
21 for parcel A is \$2,052,00. In 2020-2021,
22 prior to the application of any reduction or
23 additional exemptions, the taxable market
24 value for parcel A would have been
25 \$1,220,400. Additionally, the homeowner

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2 exhausted their administrative rights and
3 challenged their assessment receiving a
4 reduction of \$1,252,000 reducing the market
5 value to \$1,610,000.

6 In this example, due to the
7 successful challenge, the taxable value for
8 parcel A was reduced. However, the challenge
9 does not adjust the previously calculated
10 exemption, as parcel A's taxable value will
11 increase until the homeowner is paying taxes
12 based upon the full value of the property in
13 year five of the plan in the same manner as
14 every other county taxpayer.

15 Although parcel A benefitted from a
16 very small and rare anomaly, the homeowner
17 will pay taxes based upon the full fair market
18 value of the home in tax year 2024-2025
19 despite starting with this taxable value of
20 zero for the '20-21 tax year. This thread of
21 facts is common for the seven affected
22 parcels.

23 As I stated earlier, although
24 taxpayers will ultimately reach their
25 projected full market valuations by the end of

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2 the five year Taxpayer Protection Plan the
3 administration has asked the county attorney's
4 office to prepare draft state legislation to
5 address the issue.

6 LEGISLATOR NICOLELLO: My first
7 question is, it's great to have you two here,
8 two excellent attorneys, to discuss these
9 issues and argue these issues all day. Why
10 don't we have anyone from the Department of
11 Assessment who is an actual assessor as
12 opposed to sending counsel?

13 MR. MILES: I am a deputy
14 assessor and i do serve as counsel. I serve
15 in both roles. I have had the experience to
16 review these parcels and understand the
17 calculations behind them. And Conal's --

18 LEGISLATOR NICOLELLO: Do you
19 have assessment background? Before you came
20 to the Department of Assessment were you an
21 assessor?

22 MR. MILES: I'm not an appraiser
23 but I have picked up the trade.

24 LEGISLATOR NICOLELLO: It's more
25 than a trade. It's more of a science if you

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2 ask me.

3 MR. MILES: It's a science. It's
4 an art.

5 LEGISLATOR NICOLELLO: Obviously
6 it is what it is, you guys are here, but I
7 think we would have preferred to be speaking
8 to someone who is an actual assessor as
9 opposed to two counsel. But be that as it
10 may.

11 You've identified seven parcels. I
12 believe those are the parcels that we brought
13 to the attention of the administration.

14 MR. MILES: I believe there were
15 six. We did a thorough review. We found
16 seven parcels.

17 LEGISLATOR NICOLELLO: That was
18 my question. So you reviewed the entire roll
19 and you were only able to find one more with
20 this set of circumstances?

21 MR. MILES: There were seven
22 parcels with an improvement on them. There's
23 350 parcels that were also affected but they
24 were one dollar assessments which is vacant
25 land, sliver lots and underwater lots. So the

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2 adjustment to taxes is minimal. These seven
3 parcels had an improvement on them.

4 LEGISLATOR NICOLELLO: Was the
5 Department of Assessment aware of these seven
6 parcels or six parcels that we brought to your
7 attention before we brought them to your
8 attention.

9 MR. MILES: I don't believe so.

10 LEGISLATOR NICOLELLO: When the
11 Department of Assessment ran, I'm assuming
12 they ran projections based on the different
13 proposals for the Taxpayer Protection Plan,
14 why didn't those projections or searches or
15 your due diligence reveal these types of
16 anomalies?

17 MR. MILES: It's very difficult
18 to project reductions from assessment
19 challenges. The assessment department
20 assesses all of the parcels in the county.
21 And then every taxpayer has the right to go
22 and exhaust their administrative remedies. It
23 is difficult to project seven parcels out of
24 300 I believe 80,000 residential parcels that
25 they would receive a zero taxable value. But

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2 this is because they exhausted their
3 administrative rights. The rights that every
4 taxpayer has. Like I said, very difficult to
5 project seven parcels prior to any assessment
6 challenge happening. You can't project who is
7 going to challenge and it's difficult to
8 project what the reduction is if they win the
9 challenge.

10 On top of when we were doing the
11 Taxpayer Protection Plan projections I believe
12 we were still working on the '19-20 budget.
13 So, it's difficult to do tax projections when
14 the budgets adjust for the schools every
15 year. The towns. So, it is a task and it's a
16 difficult one at that.

17 LEGISLATOR NICOLELLO: Legislator
18 Rhoads.

19 LEGISLATOR RHOADS: Thank you
20 Mr. Presiding Officer.

21 Mr. Miles, during your introductory
22 statement you mentioned several times about
23 what you're calling the Taxpayer Protection
24 Plan and you mentioned that that was an effort
25 on the part of the administration to try and

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2 help taxpayers by spreading out the effects of
3 here reassessment so that they would not
4 receive a giant jump in assessed value in too
5 short of a period of time. Is that your
6 understanding of it?

7 MR. MILES: Yes.

8 LEGISLATOR RHOADS: My
9 recollection having been here for a couple of
10 years is that the Taxpayer Protection Plan, as
11 you refer to it, actually was a substitute,
12 was it not?

13 MR. MILES: A substitute?

14 LEGISLATOR RHOADS: Sure. The
15 real property tax law actually spells out a
16 built-in phase-in as part of state law, does
17 it not?

18 MR. MILES: You're discussing
19 Article 18?

20 LEGISLATOR RHOADS: Correct. The
21 county, by state law, is not permitted to
22 adjust anyone's assessed value by more than
23 six percent a year or 20 percent over a
24 five-year period of time, correct?

25 MR. MILES: I understand the

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2 thread you're following.

3 LEGISLATOR RHOADS: I just want
4 you to answer the question.

5 MR. MILES: Before we go down the
6 path and you and I love going down the path
7 and I enjoy it and you're a great legislator.

8 LEGISLATOR RHOADS: We've got a
9 limited period of time. Is that what the real
10 property tax law does?

11 MR. MILES: It doesn't replace
12 the 1805. We still apply the six and 20 rule
13 and it's not a substitute. It's a hard and
14 fast law. This taxpayer --

15 LEGISLATOR RHOADS: It's a
16 solution to a problem that the administration
17 created when it decided that it was going to
18 break its word to this legislature and change
19 the level of assessment, drop the level of
20 assessment, artificially deflating assessed
21 values by 60 percent so you can in turn
22 increase the assessed values and still be in
23 compliance with 6-20, right?

24 MR. MILES: I don't think it's an
25 artificial deflation of the --

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2 LEGISLATOR RHOADS: When you
3 calculate assessed value based upon a
4 multiplication equation and you change the
5 multiplying factor and drop it by 60 percent
6 all of the resulting values are going to drop
7 by 60 percent, right?

8 MR. MILES: But the level of
9 assessment is a product of the relationship
10 between the assessed values on the roll and
11 the market value. By not adjusting the level
12 of assessment based on a review of the
13 relationship between the assessed values and
14 the market value you would have inaccurate
15 assessments. You have to adjust and I think
16 many, if not most, assessors in the state say
17 that you must adjust your level of assessment
18 based on that calculation. It's a calculation
19 used throughout the state. It's not -- it's
20 good appraisal practice to do so to make sure
21 that your assessments are in line with your
22 market value. So it wasn't an artificial
23 drop. It was based on multiple calculations
24 and multiple reviews of the relationship
25 between the assessed values and the market

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2 value.

3 LEGISLATOR RHOADS: You would
4 agree though, Mr. Miles, that the decision on
5 the part, unilateral decision, on the part of
6 the administration to drop the assessed
7 valuation from .25 to .1, a 60 percent
8 reduction, is what created the need for a
9 five-year phase-in because it eliminated the
10 protections under state law for about 95
11 percent of Nassau County homeowners. It would
12 no longer apply after that level of assessment
13 was dropped by 60 percent.

14 MR. MILES: I don't like
15 disagreeing with you legislator but I think it
16 was a necessity just based on reviewing the
17 calculations to drop the level of assessment.

18 LEGISLATOR RHOADS: Let's put to
19 the side whether it was necessary or not. We
20 can debate all day on that point. We don't
21 have that kind of time. You would agree with
22 me though that the decision to make that
23 adjustment, whether you believe it was
24 warranted or not, that created the need for a
25 phase-in because 6-20 would no longer apply to

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2 95 percent of Nassau County homeowners without
3 some sort of a supplemental phase-in.

4 MR. MILES: I think the Taxpayer
5 Protection Plan was necessary because there
6 was such undervaluation under the broken
7 assessment roll from '19-20 and then just to
8 try to get Nassau County to realistic numbers,
9 yes, you need the Taxpayer Protection Plan.
10 But that's a result of the previous
11 administration I think derelict in their duty
12 to make sure that the assessment roll is right
13 for the taxpayers. And then you had to
14 compensate for that by doing the Taxpayer
15 Protection Plan.

16 But if not for the years of
17 degradation of the broken roll you wouldn't
18 have had to pass the Taxpayer Protection
19 Plan. Which I believe 17 of the 19
20 legislators up on the dais did vote for and
21 two of which didn't reject or say nay but
22 abstained. I think everybody recognized the
23 necessity of the Taxpayer Protection Plan due
24 to the broken assessment roll for '19-20 year.

25 LEGISLATOR RHOADS: Once the

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2 protections were removed of state law from 95
3 percent of Nassau County homeowners you would
4 have wound up with the situation, for example,
5 I've mentioned the example a couple of times,
6 the gentleman on Pine Street in Wantagh whose
7 taxes went from \$10,000 to \$31,500. Once
8 those taxpayer protections were removed under
9 state law then there was no phase-in. Those
10 were the kind of jumps, and this might be an
11 extreme example, that you were going to see
12 without there being some sort of substitute.

13 So my point is, you seem to agree,
14 though not as directly as I would have hoped,
15 you seem to agree that the fact that the level
16 of assessment was dropped by the level it was
17 dropped, whether you believe it to be
18 necessary or not, was what required there to
19 be some sort of substitute which is what the
20 five-year phase-in from the county executive
21 was, right?

22 Those terms of the phase-in,
23 Mr. Miles, were terms of a phase-in that was
24 negotiated by the county executive, correct?
25 Or someone on the county executive's staff?

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2 MR. MILES: I wasn't part of it.

3 LEGISLATOR RHOADS: You were not
4 part of those negotiations. That had to be
5 approved by the state legislature, correct?

6 MR. MILES: Yeah. It's a state
7 law. State enabling act.

8 LEGISLATOR RHOADS: So, you
9 bypassed the state law. The state had to
10 approve the substitute to put something in
11 place.

12 MR. MILES: I still disagree with
13 the characterization of bypassing state laws.
14 We still have to apply the state laws. Even
15 when we did the trending for the '21-22 roll
16 we abided by six and 20 rule as we call it or
17 Article 18. There's no bypassing of state
18 laws. I just want to reiterate that.

19 LEGISLATOR RHOADS: I know that's
20 your position. I appreciate that. Thank you
21 very much. It was the administration's
22 decision when it sought state approval for its
23 substitute plan that it was going to use the
24 tentative roll instead of using the actual
25 roll for the purpose of determining the

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2 phase-in, correct?

3 MR. MILES: Yes. The tentative
4 roll was used when you compare to the final
5 2020 roll.

6 LEGISLATOR RHOADS: The tentative
7 roll would have been before any challenges
8 took place at ARC? Before any grievances were
9 filed by taxpayers, right?

10 MR. MILES: Correct. As of
11 January 2nd.

12 LEGISLATOR RHOADS: Right.
13 January 2 of 2019?

14 MR. MILES: Yes.

15 LEGISLATOR RHOADS: Since then
16 how many homeowners grieved their taxes for
17 the '20-21 roll?

18 MR. MILES: I believe
19 approximately 250,000 grievances were filed at
20 the Assessment Review Commission.

21 LEGISLATOR RHOADS: This was
22 before ARC had the opportunity to review?

23 MR. MILES: I'm sorry?

24 LEGISLATOR RHOADS: I'm saying
25 the tentative roll that was used now for the

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2 five year phase-in -- and this isn't a
3 surprise. One of the reasons why I didn't
4 vote for the five-year phase-in was because of
5 this outstanding issue. There were multiple
6 reasons. But using the tentative roll that
7 was the roll that existed before the entire
8 grievance process took place, right?

9 MR. MILES: Every year we publish
10 the roll prior to the independent review.

11 LEGISLATOR RHOADS: But electing
12 to use the tentative roll for the purposes of
13 the five-year phase-in meant that the roll
14 that we were using to calculate the phase-in
15 numbers was going to change. We knew that
16 going in. Those numbers that we were using
17 would not reflect the finished product as a
18 result of the grievance process.

19 MR. MILES: Correct. Every
20 homeowner gets to exhaust their administrative
21 rights. You don't know where the homeowner
22 will land. But you're correct, your tentative
23 value will be --

24 LEGISLATOR RHOADS: By making the
25 decision to use the tentative roll we said you

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2 know what? not that we don't care about the
3 outcome of the process, but we're not going to
4 wait for the outcome of the process. We're
5 going to use a roll that we know is not going
6 to be accurate.

7 MR. MILES: Not accurate. No,
8 no. I think you mean, I don't want to put
9 words in your mouth, but the numbers will be
10 different than that after the independent
11 review of ARC and then SCAR process.

12 LEGISLATOR RHOADS: After the ARC
13 and the SCAR process those numbers are going
14 to change and that change in those numbers is
15 going to impact eventually the amount of money
16 that people actually pay in taxes, correct?

17 MR. MILES: It depends on -- each
18 circumstance is different based on the
19 taxpayer's relationship to everybody in the
20 district.

21 LEGISLATOR RHOADS: If somebody's
22 taxes go down somebody's taxes have to go up,
23 right?

24 MR. MILES: If you and I are in a
25 single tax district. But it's much more

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2 complex when you add thousands of homeowners
3 in a single district. It's not an automatic
4 up or down based on you winning a grievance or
5 a challenge.

6 LEGISLATOR RHOADS: But if you
7 win a challenge and an adjustment is made
8 before the actual tax bills go out it's the
9 rest of the residents in that particular
10 taxing district that have to make up the
11 difference, right?

12 MR. MILES: Right. If you're the
13 only one successful.

14 LEGISLATOR RHOADS: So it's a
15 zero sum game. If one person challenged and
16 one person won it's the other 100 people that
17 live in that district, for example, are going
18 to have to make up the difference for that
19 one, right?

20 MR. MILES: I don't like speaking
21 in the absolutes with this because of how
22 complex the taxing jurisdiction is. But if
23 you and I are in a single tax district and you
24 win and I don't, yes, I'll pick up what you
25 don't pay.

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2 But if you don't do the tentative
3 assessment roll you are then trying to
4 phase-in reductions that homeowners were
5 awarded and deserved to win.

6 For example, after the tentative
7 roll you went to ARC or went to SCAR and had a
8 deserved reduction. The average reduction was
9 three or four percent. Which was once again
10 well within state and national standards. But
11 if you did happen to get that reduction, I
12 think, legislator, you'd be pretty ticked off
13 if I told you that you had an administrative
14 order from a judicial hearing officer and I'm
15 phasing in the value of that reduction. I
16 think that's far from taxpayer friendly.

17 LEGISLATOR RHOADS: You think
18 it's more taxpayer friendly for people that
19 didn't participate in the grievance process to
20 be burdened with having to pay more than what
21 we told them that they would to have pay as
22 part of the tentative roll to make up for not
23 only the phase-in but for the successful
24 grievance.

25 MR. MILES: I think the fact that

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2 if you don't phase-in -- if you do phase-in
3 the judicially ordered reduction I think
4 that's blatantly unfair.

5 LEGISLATOR RHOADS: I don't
6 understand how it's more or less unfair for
7 the system. But we're not talking about one
8 property though, right, when we're talking
9 about how the '20-21 roll was created? We're
10 not talking about one challenge. We're
11 talking about tens of, in fact, hundreds of
12 thousands of successful challenges out of a
13 residential roll that includes about 380,000
14 properties, correct?

15 MR. MILES: You're talking about
16 these seven? I'm sorry, I'm starting to lose
17 the train.

18 LEGISLATOR RHOADS: I'm talking
19 about '20-21. We're not talking about one.
20 When you're going from tentative roll to what
21 was finally produced on the tax bills that
22 went out you're talking about hundreds of
23 thousands of corrections that were made out of
24 a universe of properties that's only 383,000.

25 MR. MILES: I'm trying to think

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2 of the number of adjustments.

3 LEGISLATOR RHOADS: Well, I can
4 tell you that there were correction of error
5 petitions filed with ARC of approximately
6 227,393 properties.

7 MR. MILES: Correction of error
8 petition is a different term of art. You're
9 talking about grievances? Applications of
10 corrections.

11 LEGISLATOR RHOADS: The number of
12 cases that were resolved at ARC, do you have
13 happen to know off the '20-21 roll what that
14 was?

15 MR. MILES: I believe it's
16 250,000 of applications for correction.

17 LEGISLATOR RHOADS: That were
18 resolved at ARC?

19 MR. MILES: That were resolved at
20 ARC?

21 LEGISLATOR RHOADS: In other
22 words, how many cases were resolved at the ARC
23 level?

24 MR. MILES: How many are resolved
25 at ARC?

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2 LEGISLATOR RHOADS: Yes.

3 MR. MILES: I believe there were
4 60,000 offers that were accepted. I think
5 that number is ringing a bell to me.

6 LEGISLATOR RHOADS: It's about
7 right. By the numbers that we have it's
8 61,118 properties were resolved at the ARC
9 level. And do you happen to recall what the
10 dollar value was of those adjustments?

11 MR. MILES: At ARC? The
12 average?

13 LEGISLATOR RHOADS: Not the
14 average. What the total was.

15 MR. MILES: I do not know.

16 LEGISLATOR RHOADS: I can tell
17 you based on the numbers that we were provided
18 it was \$87,154,470.

19 MR. MILES: That's out of a
20 probably total market value that's in the
21 multiple billions.

22 LEGISLATOR RHOADS: But we're not
23 done. So, then -- by the way, the grievance
24 resolution -- well, for the purposes of the
25 time we'll skip that.

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2 You had 61,000 properties whose
3 values changed and changed by about \$87
4 million. So that \$87 million shift then went
5 to theoretically other property owners.

6 MR. MILES: I think it was an
7 average. I don't know the total market
8 changes but I know for --

9 LEGISLATOR RHOADS: I'm telling
10 you what the total market change was, \$87
11 million.

12 MR. MILES: When I reviewed it it
13 was about four percent was the average
14 reduction.

15 LEGISLATOR RHOADS: So, now we
16 move on to SCAR. By the way, in order to get
17 their value adjusted at SCAR homeowners
18 actually have to pay a fee, right?

19 MR. MILES: \$30.

20 LEGISLATOR RHOADS: They've got
21 to actually pay to participate in that
22 process?

23 MR. MILES: Not particularly cost
24 prohibitive.

25 LEGISLATOR RHOADS: ARC has made

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2 the determination that our assessed value, the
3 assessed value that was produced by the
4 Department of Assessment, was incorrect for
5 61,000 properties out of 383,000. Then we
6 move on to SCAR. That's cases that could not
7 be resolved at the ARC process. Homeowners
8 elect to avail themselves of the SCAR
9 process. And do you recall how many cases
10 were resolved at SCAR? In other words, how
11 many homeowners received further reductions on
12 top of the 61,000 that got them at ARC, how
13 many others that weren't successfully resolved
14 at ARC received adjustments at SCAR?

15 MR. MILES: There were 58,000
16 mediations. 14,000 of which were zero offers
17 accepted. And I believe the remaining --
18 there was 13,500 that received a reduction.

19 LEGISLATOR RHOADS: You'd be
20 surprised that the number that we have is
21 actually that an additional 71,748 homes --

22 MR. MILES: Not correct.

23 LEGISLATOR RHOADS: -- had their
24 cases resolved through SCAR.

25 MR. MILES: No.

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2 LEGISLATOR RHOADS: 64,000 of
3 which were resolved before the roll went
4 final.

5 MR. MILES: No.

6 LEGISLATOR RHOADS: Do you know
7 what the total cumulative value of the
8 adjustment was?

9 MR. MILES: But those numbers
10 aren't correct. Like I said, 58,000 accepted
11 mediation offers out of 80. 14,000 of those
12 58 accepted zero offers. And then of the
13 remaining 13,000 received a reduction from
14 SCAR.

15 LEGISLATOR RHOADS: Do you know
16 what the total -- I'm not sure what the reason
17 for the discrepancy in the numbers that we
18 have but --

19 MR. MILES: I lived it. I was
20 there.

21 LEGISLATOR RHOADS: Do you know
22 what the cumulative value of the adjustment
23 was? This is on top of the \$87 million that
24 shifted during the ARC process.

25 MR. MILES: No.

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2 LEGISLATOR RHOADS: We have
3 \$105,323,075. So we're talking about a shift
4 in value of about \$200 million as a result of
5 the ARC and the SCAR process. Do you have a
6 reason to dispute those numbers?

7 MR. MILES: Just for comparison's
8 sake, out of an assessment roll that's market
9 value is worth \$5 billion. So, the relative
10 shifts are actually small. Which once again
11 speaks to the accuracy of the assessment
12 roll. And multiple assessors have agreed that
13 the numbers that we have produced are --

14 LEGISLATOR RHOADS: That's not
15 where I'm going with this.

16 MR. MILES: We're walking down
17 the path.

18 LEGISLATOR RHOADS: That's not
19 where I'm going with it. We've had \$200
20 million by the decision to use the tentative
21 roll versus the actual final roll that was
22 produced after the grievances were already
23 resolved. I understand there were grievances
24 resolved to the tune of about \$17 million
25 after the bills went out, right?

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2 MR. MILES: SCAR hearings.

3 LEGISLATOR RHOADS: Right.

4 There's approximately 7,427 SCAR cases that
5 were resolved after the roll went final for a
6 total of about \$17 million?

7 MR. MILES: That is correct.

8 LEGISLATOR RHOADS: That county
9 taxpayers have to pay for, right?

10 MR. MILES: It comes out of the
11 county budget.

12 LEGISLATOR RHOADS: You
13 understand obviously that every dollar that
14 the county has to spend is in large measure a
15 dollar that's paid by taxpayers, right?

16 MR. MILES: Like I said, if we're
17 going to speak in comparison sake it's a \$3
18 billion budget with 380,000 residents.

19 LEGISLATOR RHOADS: So the \$17
20 million doesn't matter to you?

21 MR. MILES: I didn't say that
22 legislator. I'm just saying for comparison's
23 sake -- I'm here to provide facts.

24 LEGISLATOR RHOADS: You'd agree
25 that \$17 million is a lot of money, right?

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2 MR. MILES: For a \$3 billion
3 budget?

4 LEGISLATOR RHOADS: So it's not a
5 lot? That's your position?

6 MR. MILES: I'm not saying that.

7 LEGISLATOR RHOADS: So, you've
8 had a change -- and this, by the way, doesn't
9 mention the correction of errors petitions
10 that have come before this legislature
11 probably to the tune of another I would say
12 \$35 million or so between properties like the
13 Seasons, between veterans exemptions that were
14 not provided that should have been, between
15 adjustments that have to be made now for
16 exemptions that were improperly applied that
17 now the rest of the roll has to be corrected,
18 we're probably talking about \$50 million worth
19 of corrections that have to have been made to
20 the roll.

21 MR. MILES: I don't recall that
22 being the number, \$35 million. I'm just
23 telling you. I don't recall that number. You
24 could be correct. I just don't recall seeing
25 that number.

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2 LEGISLATOR RHOADS: From the time
3 that we used the phase-in number, the
4 tentative number, to determine how properties
5 were going to be phased in to where we've
6 reached today there have been somewhere
7 around, give or take, \$10 million. There have
8 been somewhere around a quarter of a billion
9 dollars, and I know you're going to say it's
10 out a \$5 billion roll, a quarter of a billion
11 dollars worth of adjustments. So there's
12 about a quarter of a billion dollars worth of
13 inaccuracy in what we're using as the basis to
14 determine how the five-year phase-in is going
15 to be applied.

16 MR. MILES: I don't want to keep
17 repeating myself and I don't mean to beat the
18 drum over and over again.

19 LEGISLATOR RHOADS: You're trying
20 to say you don't have a choice, right? We
21 didn't have a choice but to use the tentative
22 roll?

23 MR. MILES: I am saying that.
24 I'm also saying that it still is a highly
25 accurate roll when you're talking about a \$5

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2 billion market value and when the average
3 reduction is four percent and the national
4 state standards says that for a homogeneous
5 community five percent is great and for a
6 heterogenous it's 15 percent. We're talking
7 about four percent. It's a highly accurate
8 roll that multiple assessors have said they
9 wish they had our numbers. That was an actual
10 statement.

11 LEGISLATOR RHOADS: So, the
12 quarter of a billion dollars, if your opinion,
13 is close enough for government work?

14 MR. MILES: That's not what I'm
15 saying.

16 LEGISLATOR RHOADS: You're
17 telling me --

18 MR. MILES: I'm saying it's a
19 highly accurate roll in the region that, I
20 mean, the state standards say is incredible.
21 I'm not saying -- this is not just good by
22 government. I have to say the appraisers at
23 Department of Assessment are phenomenal
24 individuals who do a great job over there.
25 Our vendors who helped us did a great job over

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2 there.

3 So, actually don't particularly
4 love the good by government standards comment
5 because we have hard working individuals who
6 did a great job on the roll and the vendors
7 did a great job on this roll.

8 LEGISLATOR RHOADS: I'm sure they
9 worked hard and I'm sure that they had to deal
10 with what I believe was inadequate leadership
11 both at the Department of Assessment level as
12 well as the administrative level. But that's
13 not the point of today's hearing.

14 So, we got a quarter of a billion
15 dollars in inaccuracies which you're saying is
16 not a big deal in the context of a larger
17 roll. If I can just ask though, why is it
18 that ARC is now for the '21-22 roll, off of
19 which, from which, off of which is the '20-21
20 roll was based.

21 MR. MILES: The trends are based
22 off of the '21 assessment.

23 LEGISLATOR RHOADS: I don't know
24 why I had such a hard time saying that.

25 Why is it that ARC is now engaging

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2 in mass settlements if that roll was so
3 accurate?

4 MR. MILES: I can't speak to what
5 the Assessment Review Commission does. It's
6 an independent commission. I don't know what
7 numbers they're up to.

8 LEGISLATOR RHOADS: But we're
9 seeing that, as of right now, over 50 percent
10 of the applicants are actually receiving
11 adjustments as part of the ARC process. You
12 would agree with the notion, I'm assuming you
13 would agree with the notion, that we can talk
14 in general terms about how accurate we think
15 an assessment roll is, but the final report
16 card on the accuracy of the assessment roll is
17 what's produced at the end of the grievance
18 process, right? When ARC, which is not
19 exactly independent, but when SCAR, which is
20 an independent body, have an opportunity to
21 actually make whatever adjustments are deemed
22 to be necessary to make it fair and accurate
23 based on the grievances, right?

24 MR. MILES: ARC is certainly
25 independent of the Department of Assessment.

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2 Then SCAR, just I have to point out, that it's
3 a de novo hearing. So when the hearing
4 officer comes to the table to them it's a
5 totally new and independent process.

6 LEGISLATOR RHOADS: But SCAR is
7 the first, I don't want to chase the rabbit
8 hole, go down the rabbit hole, SCAR is the
9 first opportunity where you have somebody who
10 is not a county employee who has the
11 opportunity to take a look at the roll and
12 make an independent determination. I know ARC
13 does their best to do that.

14 MR. MILES: I don't want to dive
15 into ARC.

16 LEGISLATOR RHOADS: They do as
17 good a job as they can. But I don't know how
18 when 220 some odd thousand challenges were
19 filed and over half of them are receiving
20 reductions in the first part of the process.
21 Not even talking about SCAR. How we can
22 continue to defend the accuracy of the roll on
23 which this '21-22 roll was based?

24 MR. MILES: Unfortunately, I
25 don't know the final numbers at ARC. I know

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2 that I have 64,000 petitions filed, which is
3 significantly less than the \$80,000. And I
4 know this body was complaining about the large
5 number of filings and they did go down the
6 second year.

7 LEGISLATOR RHOADS: Again, when
8 we talk about a filing this is a taxpayer that
9 actually has to take it upon themselves to try
10 and adjust what they believe is an erroneous
11 assessment produced by our Department of
12 Assessment.

13 MR. MILES: It's a similar
14 process at ARC though. They have the choice
15 to choose a representative or represent
16 themselves. It really is not a cost
17 prohibitive process. It's zero dollars to
18 file at ARC and it's \$30 to file at SCAR.
19 It's also a refundable \$30 if you do receive a
20 reduction. So it really is not cost
21 prohibitive.

22 LEGISLATOR RHOADS: For the
23 '21-22 roll so far it appears as though ARC
24 is saying to these individuals you know what?
25 you're right, the Department of Assessment was

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2 incorrect.

3 MR. MILES: I can't speak to the
4 mind set of an independent commission.

5 LEGISLATOR RHOADS: If they are
6 offering reductions it's an acknowledgment
7 that there's some problem with the accuracy of
8 the roll that was produced by the Department
9 of Assessment. Wouldn't it be reasonable to
10 assume that?

11 MR. MILES: There is still
12 remember a coefficient of dispersion that you
13 have to account for. The county should not be
14 100 percent on the nose because appraisal
15 assessment is a science and art in one. And
16 actually it's a problem if your coefficient of
17 dispersion is less than five because that
18 means you're sales chasing which is illegal.
19 You cannot choose the subject sale of the
20 property and put it on the assessment roll and
21 say well, you did a great job here. It's
22 illegal. It's selective reassessment.

23 You should not be completely
24 perfect because it speaks to a larger issue of
25 you doing illegal things in selectively

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2 reassessing. Like I said, I would like to see
3 what ARC's reduction percentages are, and I'm
4 confident that they speak to the state
5 national standards that I mentioned before.

6 LEGISLATOR RHOADS: I apologize.
7 I'm not 100 percent sure what that answer
8 meant.

9 MR. MILES: That's okay.

10 LEGISLATOR RHOADS: Just as a
11 corollary, now for the '22-23 roll we've made
12 the decision that we're not even going to try
13 to adjust, we're simply going to freeze it
14 locking these values in.

15 MR. MILES: There was an instance
16 of a global pandemic and we do have to gauge
17 what happened in this market. Main Street was
18 hit pretty hard, and I think trying to do an
19 assessment without knowing what the numbers
20 are -- we just got the annual statements of
21 income and expense this June was the last
22 deadline. I think it would do a disservice to
23 taxpayers to try to conjure up numbers if we
24 don't have the data to back it up.

25 LEGISLATOR RHOADS: Look, the

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2 last frozen roll was the result of Super Storm
3 Sandy.

4 MR. MILES: Not for eight years.
5 You got to at some point do a reassessment. I
6 can understand for a year or two trying to
7 gauge what happened. But I think at some
8 point after multiple years of looking at the
9 damage that Sandy caused I think you should
10 adjust the roll.

11 LEGISLATOR RHOADS: Which is why
12 this process started as far back as 2015.

13 MR. MILES: It took a very long
14 time, way too long to implement to get the
15 numbers on the roll. I think we can all agree
16 nearly a decade to get assessment numbers
17 right after Super Storm Sandy was in October
18 of 2011 I think everyone can say you have to
19 start to get the numbers right. I think here
20 we are doing our homework and we're trying to
21 get to a place where we're going to be. But I
22 don't think we're going to be taking nearly a
23 decade to make sure that our numbers are right
24 and that we make sure to adjust our numbers
25 for our homeowners and our commercial owners.

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2 LEGISLATOR RHOADS: But ARC and
3 SCAR seem to be telling us that we're not
4 getting the numbers right. And now for the
5 '22-23 roll those numbers are going to be
6 frozen in place.

7 MR. MILES: They were put on hold
8 because of something that was unforeseen. You
9 know, I believe that we were going to go ahead
10 and do another trend and we were ready to do
11 one. But you can't conjure up numbers. These
12 commercial property owners really suffered
13 from something that what unforeseen. I think
14 you have to take the time to look to see what
15 happened.

16 Like I said, we just got the 2020
17 numbers two months ago. So you can't last
18 year try to conjure up a trend for these
19 owners and you don't know what they suffered.
20 The suffering or the adjustment in value isn't
21 just broad brush. It's based on property
22 use. So, you got to take the time and you got
23 to find the data. Everything about assessment
24 is data driven.

25 LEGISLATOR RHOADS: I think the

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2 point that you're trying to make is the same
3 point that I'm trying to make. That when the
4 Department of Assessment gets it wrong
5 homeowners suffer.

6 MR. MILES: I'm not making the
7 points you're making I think legislator.

8 LEGISLATOR RHOADS: But it is the
9 fact that when the Department of Assessment
10 gets their numbers wrong homeowners suffer.
11 Because ultimately our obligation and all the
12 taxpayers want from us is to get their
13 assessment right, right? The ideal would be
14 that nobody would grieve their taxes because
15 they all believe that they are being assessed
16 fairly, right?

17 MR. MILES: But I think there is
18 a culture now in the county that because it's
19 really not cost prohibitive it's let me just
20 file. What is the harm of putting in
21 something if it's zero dollars and takes very
22 little work to do. When you file at SCAR it's
23 \$30 that I may get back. It really is not
24 cost prohibitive to try to --

25 LEGISLATOR RHOADS: I understand

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2 that mentality. Because it's still the case
3 after the reassessment that if a homeowner
4 doesn't grieve their taxes are going to go
5 up.

6 MR. MILES: That's not
7 necessarily the case.

8 LEGISLATOR RHOADS: For the vast
9 majority of homes that is the case. Because
10 you know someone in their taxing district is
11 going to grieve and you know that someone is
12 going to win and when that happens if you've
13 done nothing your taxes will go up as a
14 result.

15 MR. MILES: When the average
16 reduction is three to four percent there's no
17 guarantee of there being an increase. It's as
18 simple as you and I in a school district and
19 then you grieve and I don't yeah, I can see
20 that being the case. It's simply more complex
21 than that.

22 LEGISLATOR RHOADS: But the \$200
23 million in refund reliability in 2021 was
24 shifted in some way to residents that who did
25 not file a grievance or did not successfully

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2 grieve, correct? That money had to be made up
3 somewhere. The districts are whole. All the
4 taxing jurisdictions are whole. So the bills
5 were adjusted. So for the \$200 million that
6 was won, the bills were adjusted so that that
7 \$200 million in shift would be made up by
8 other taxpayers in those taxing jurisdictions
9 where it was appropriate, correct?

10 MR. MILES: Yes. That makes
11 sense.

12 LEGISLATOR RHOADS: So let's talk
13 about these seven properties where somehow
14 their taxable value must have wound up at
15 zero.

16 MR. MILES: They did.

17 LEGISLATOR RHOADS: How is that
18 possible? Was it the fact that the tentative
19 roll was used as the basis for the phase-in?
20 Walk me through --

21 MR. MILES: I don't think it's
22 just that the tentative roll was used. I want
23 to just state that. Homeowners have
24 benefitted largely from this Taxpayer
25 Protection Plan and having seven properties be

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2 this anomaly speak to it being a solid law. I
3 mean, to have it be less than one percent,
4 there's less than one percent of getting into
5 a car accident. So if you don't --

6 LEGISLATOR RHOADS: That's not
7 exactly truthful, right? If countywide
8 two-thirds of homeowners had their taxes go
9 up, a third of homeowners had their taxes go
10 down and they have to wait five years in order
11 to achieve that full reduction, right? So
12 there are approximately 140,000 homeowners
13 that are paying more than their fair share of
14 taxes as a result of this phase-in because
15 it's going to take five years for them to
16 achieve the reduction that we said in year one
17 that they were entitled to.

18 MR. MILES: I want to just state
19 for a fact that the increase in taxes isn't
20 because of the phase-in. This increase in
21 taxes is because local taxing jurisdictions
22 made a determination about their budgets.
23 Certain taxing jurisdictions allow homeowners
24 to vote for these budgets and for certain
25 districts they increase annually.

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2 So it was hard to project, and you
3 all heard me and probably back, I can't even
4 remember, back two years ago in December when
5 I said it's extremely difficult to make a
6 projection from the '19-20 budget for '20-21
7 assessments. And everyone up here was saying
8 why don't you just push the button, it's fine,
9 just push the red button and you're going to
10 be able to project the taxes. I kept on
11 vehemently saying no, it's not that simple.
12 You're using a budget that doesn't incorporate
13 changes to school budgets, changes to town
14 budgets.

15 So, like I said, you can't predict
16 who's going to have a successful challenge,
17 who's going to get an exemption. I was
18 vehemently against trying to do a projection
19 then but this body deemed it appropriate and
20 that's fine. But this is where we are now
21 where you're saying there's 65 percent of
22 increases. Well, 65 percent based on a '19-20
23 projection that didn't have '20-21 numbers.

24 LEGISLATOR NICOLELLO: Legislator
25 Rhoads, when you have an opportunity, we have

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2 other legislators that want to go. When you
3 reach the end of this line maybe we can go to
4 those other legislators and jump back to you.

5 LEGISLATOR RHOADS: Mr. Miles, it
6 was this body that requested supplemental tax
7 impact notices be sent so that homeowners
8 could receive updates during the course of the
9 process so that they would have accurate
10 information in order to make their decision as
11 to whether or not to grieve. You are aware it
12 was the county executive that vetoed that
13 legislation, right?

14 MR. MILES: Can you repeat that?
15 I'm sorry.

16 LEGISLATOR RHOADS: Sure. The
17 supplemental notices that we asked and passed
18 for the county executive to send out and the
19 Department of Assessment to send out to give
20 homeowners updated information so that they
21 weren't basing their decision based solely
22 upon the original tax impact notices, you're
23 aware that that legislation was vetoed by the
24 county executive?

25 MR. MILES: Because we still

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2 didn't get the '20-21 budgetary numbers
3 until -- some school districts don't get it to
4 us until September. So you can't base
5 projections on numbers that don't exist. I
6 mean, the school districts didn't come out
7 until September of 2021. So last year. Fall
8 of last year. And then in December we get the
9 town budgets. So it will still be the same
10 exercise as if you did '19-20 before. It's
11 the same exercise. The projection doesn't
12 match until you get the final budgetary
13 numbers from the school. And that's right
14 before you put out your warrants.

15 LEGISLATOR RHOADS: So, from the
16 time that the initial impact notices were sent
17 out up until the point of the final roll the
18 Department of Assessment learned nothing with
19 regard to making that roll more accurate?

20 MR. MILES: But when did the
21 taxpayers have the right to vote for their
22 school budgets? It certainly was in May of
23 2020. And at some points I think there were
24 delays in the voting.

25 LEGISLATOR RHOADS: But again Mr.

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2 Miles, when you're talking about homeowners
3 that receive ten, 20, 30, in the case of the
4 gentleman on Pine Street, two, 300 percent
5 increases in their assessed value you cannot
6 sit here with a straight face and tell me that
7 a school district which countywide on average
8 school districts passed a 1.7 percent tax
9 increase that that's the reason that those
10 bills are so far off from our projections.
11 You don't have to answer.

12 LEGISLATOR NICOLELLO: Legislator
13 Mule.

14 LEGISLATOR MULE: Thank you
15 Presiding Officer. Good morning. I just want
16 to state that my mother was a deputy assessor
17 and she did not have specific training but she
18 learned on the job and that's how she obtained
19 the role of deputy assessor. So I fully
20 recognize you as a competent and qualified
21 person to speak to us on all matters of
22 assessment.

23 MR. MILES: Thank you. I
24 appreciate that.

25 LEGISLATOR MULE: I've written a

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2 whole bunch of questions. Let's start with
3 for the reassessment, is the ultimate goal a
4 fair and accurate reassessment?

5 MR. MILES: Yes.

6 LEGISLATOR MULE: Have we
7 achieved that?

8 LEGISLATOR MULE: Absolutely.

9 LEGISLATOR MULE: Did we have
10 that in the past?

11 MR. MILES: No.

12 LEGISLATOR MULE: That's right.
13 For the homes that we're talking about, which
14 is as I understand it the whole reason why
15 we're here today but it's really gone off on
16 incredible tangents, under the broken
17 assessment system do you have an approximate
18 idea of how many homes that were right next to
19 each were thousands of dollars apart on how
20 much they were paying?

21 MR. MILES: It's innumerable.

22 LEGISLATOR MULE: We all know
23 that. So now we're talking about seven homes
24 where that's the case?

25 MR. MILES: Correct.

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2 LEGISLATOR MULE: Did the
3 department make any mistakes which caused this
4 to happen?

5 MR. MILES: No.

6 LEGISLATOR MULE: Did the
7 department break any laws which caused this to
8 happen?

9 MR. MILES: No.

10 LEGISLATOR MULE: That's right.
11 We all know that. The change in level of
12 assessment that we were talking about, the
13 fact that that's what happened after David
14 Moog came on and determined that that was the
15 only way to get an accurate assessment and as
16 you stated that is frequently done in
17 departments of assessment all over?

18 MR. MILES: Absolutely.

19 LEGISLATOR MULE: So, change in
20 level of assessment that has been done in the
21 past as well, right?

22 MR. MILES: Absolutely.

23 LEGISLATOR MULE: I know that.
24 We all know that. And I know this has been
25 answered in the past. But let's say that

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2 change in level of assessment had not
3 happened, how long would it take to get an
4 accurate assessment roll if we hadn't done
5 that?

6 MR. MILES: Decades.

7 LEGISLATOR MULE: That's right.
8 You've said that before and we all know that.

9 I'm frustrated. I'm frustrated for
10 why we're here because this is silly to me.
11 We've had this done, the reassessment, because
12 the other -- we had a broken assessment system
13 in the past.

14 MR. MILES: Severely broken.

15 LEGISLATOR MULE: All of this
16 that happened it may have been a little bit
17 messy but this is what was necessary to make
18 sure that people can have confidence that they
19 are assessed correctly. Do they still have
20 the right to grieve their assessment? Of
21 course. And, I mean, again, we all know why
22 this is happening. You know what? I think
23 that's all I want to say. Thank you.

24 MR. MILES: Thank you.

25 LEGISLATOR NICOLELLO: Legislator

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2 Ferretti.

3 LEGISLATOR FERRETTI: Thank you
4 Presiding Officer. Good afternoon.

5 MR. MILES: Good day. How are
6 you legislator?

7 LEGISLATOR FERRETTI: Thank you
8 both. I do appreciate you coming here. Not
9 to harp on this, I know the presiding officer
10 and Legislator Mule kind of did, I respect
11 both of you for your opinions. I know you're
12 both attorneys. I do not agree that quite
13 frankly you should be here. This is an
14 assessment hearing. This is pretty in the
15 weeds kind of stuff in terms of calculations.
16 Mr. Miles, you've offered many opinions over
17 the last hour related to how we assess as a
18 county and we have quite a few qualified
19 assessment employees in this county and for
20 none of them to be here today I don't know who
21 made that decision. I don't know if you want
22 to tell me.

23 MR. MILES: If I could?

24 LEGISLATOR FERRETTI: Sure.

25 MR. MILES: I think I have done

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2 quite well holding my own in the weeds.

3 LEGISLATOR FERRETTI: You know
4 what Mr. Miles, I'm not an assessor. I don't
5 think anyone up here is an assessor. Maybe
6 everything you've said is accurate. I don't
7 know. But we do have people who have
8 qualifications as assessors who are employed
9 in the county, we have an acting assessor, and
10 they're not here today. We're speaking to
11 attorneys. So, I don't think that's in the
12 spirit of what we wanted out of this hearing
13 but I appreciate both of you being here. Like
14 I said, I'm not questioning your knowledge.
15 I'm just putting it out there. It would be
16 nice at one of these assessment hearings if we
17 actually had somebody that was an assessor.

18 MR. MILES: It's in the title. I
19 don't know what else I can say.

20 LEGISLATOR SOLAGES: If we're
21 going to debate qualifications are we going to
22 swear in the witnesses judge? I'm sorry,
23 legislator.

24 LEGISLATOR NICOLELLO: You keep
25 doing that, that's good.

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2 LEGISLATOR SOLAGES: If we're
3 going to discuss qualifications can we swear
4 them in as well?

5 LEGISLATOR NICOLELLO: We're not
6 going to swear them. But obviously the
7 difference between an attorney -- I mean, this
8 was the whole debate over whether to have an
9 elected or appointed assessor. Your side
10 consistently said that we need people with
11 qualifications. So who do they send to us
12 repeatedly? An attorney.

13 LEGISLATOR SOLAGES: Your side,
14 this side, we should all be on the same side,
15 number one. Number two, you flip flopped on
16 that position whether you wanted an appointed
17 or an elected. And now --

18 LEGISLATOR NICOLELLO: We didn't
19 flip flop on that.

20 LEGISLATOR SOLAGES: We're just
21 talking about one-thousandths of the roll.

22 LEGISLATOR FERRETTI: Legislator
23 Solages, I think the time was my time.

24 LEGISLATOR SOLAGES: I know but
25 I'm asking for one clarification because we're

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2 discussing qualifications. I want to just
3 make sure hey --

4 LEGISLATOR FERRETTI: I
5 understand but respectfully I've never done
6 that to you. I'd ask while the mic's on me to
7 just give me a few minutes to ask my
8 questions. I'm not going to be that long I
9 hope.

10 I do want to ask some questions
11 about the specific seven properties but before
12 I do there were some things that came up when
13 Legislator Rhoads was asking questions that I
14 just want to get clarification on.

15 You talked a bit about the SCAR
16 procedures. There's a new kind of settlement
17 procedure, what policy in place, right?
18 There's more settlements at SCAR that are
19 going on now than in the past? Mediation
20 process.

21 MR. MILES: Yes, there's a
22 mediation process.

23 LEGISLATOR FERRETTI: At that
24 mediation process who's at the table?

25 MR. MILES: It depends. If it's

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2 the representative the representative will
3 represent the interests of all their not
4 constituents but their clients. Then we have
5 another process for pro ses.

6 LEGISLATOR FERRETTI: So it's the
7 pro se applicant or grievant or an attorney
8 representing them.

9 MR. MILES: Petitioner yeah.

10 LEGISLATOR FERRETTI: Then on the
11 other side of the table is the county. Who
12 from the county?

13 MR. MILES: Our assessors.

14 LEGISLATOR FERRETTI: Is there
15 anyone from the county attorney's office?

16 MR. MILES: No.

17 LEGISLATOR FERRETTI: It's
18 employees from the Department of Assessment?

19 MR. MILES: Yes. Been doing that
20 for a while now with the department and
21 assessors representing the department.

22 LEGISLATOR FERRETTI: I just
23 wasn't sure. Who ultimately makes the final
24 decision as to whether to offer a settlement
25 to a petitioner at that mediation process? Is

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2 it that employee from assessment?

3 MR. MILES: They will make
4 recommendations but the department's
5 administration makes that determination.

6 LEGISLATOR FERRETTI: The
7 department's administration meaning the
8 assessment department? The assessor?

9 MR. MILES: Yes. And deputies.

10 LEGISLATOR FERRETTI: Is it the
11 deputies or is it the actual assessor?

12 MR. MILES: It varies between the
13 assessor and the deputy. People will have
14 discussions about what's been produced and
15 what we're seeing. It's a variety of
16 individuals.

17 LEGISLATOR FERRETTI: It's
18 ultimately somebody from the Department of
19 Assessment, either a deputy or the assessor
20 are working together to make a decision --

21 MR. MILES: Make a final, right.

22 LEGISLATOR FERRETTI: So you
23 would agree that's someone who answers
24 directly to the county executive's
25 administration?

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2 MR. MILES: Yes but --

3 LEGISLATOR FERRETTI: That
4 differs from ARC who's a quasi independent
5 body, correct?

6 MR. MILES: ARC is certainly an
7 independent body but the county executive's
8 office has given assessment leeway to make
9 determinations because of the expertise that
10 assessment holds.

11 LEGISLATOR FERRETTI: I'm just
12 asking there's a difference there, right?

13 MR. MILES: Oh yeah. It's an
14 independent commission.

15 LEGISLATOR FERRETTI: Whereas,
16 the deputy assessors and the assessor are not;
17 is that correct?

18 MR. MILES: Yes.

19 LEGISLATOR FERRETTI: This is my
20 last point before I get to the seven
21 properties. You keep on saying it's been
22 months now that this is a widely praised
23 reassessment.

24 MR. MILES: Might be years now.

25 LEGISLATOR FERRETTI: Time goes

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2 quickly. That it's a four percent deviation
3 on average, right?

4 MR. MILES: Yes.

5 LEGISLATOR FERRETTI: And that
6 that's -- what are the words you used?

7 MR. MILES: Well within state and
8 national standards.

9 LEGISLATOR FERRETTI: Here's the
10 issue though. Nassau County's property taxes,
11 the tax rates, are not the same as the rest of
12 the nation as you probably know. So, four
13 percent deviation is not the same here as the
14 rest of the country or the rest of the state.
15 So, to just kind of dismiss a four percent
16 deviation that has real impact on Nassau
17 residents.

18 If we were to accept four percent,
19 which I do not, but even if we were, you can't
20 compare Nassau County to the rest of the
21 nation because we pay higher property taxes.
22 Which was not helped by the fact that there
23 was a \$9 million tax hike in last year's
24 budget that we attempted to amend to remove
25 but unfortunately that was vetoed.

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2 MR. MILES: Wait. Just really
3 quickly. I don't believe there was a tax hike
4 in the county executive's budget. I think
5 everything's been flat since the county
6 executive's been in office.

7 LEGISLATOR FERRETTI: I don't
8 want to go into that.

9 MR. MILES: But one more thing.
10 Do you mind sir?

11 LEGISLATOR FERRETTI: If there
12 was no tax hike then there was a \$9 million
13 tax cut that was vetoed. One way or the
14 other.

15 MR. MILES: If I may really
16 briefly? Standards for assessors are based on
17 assessments not what the tax rates are.
18 Nassau's tax rates are going to be different
19 than the towns in Suffolk, than the city's,
20 because it's based on the budgets that are
21 produced not based on the assessments.
22 Assessment is independent of the tax rates
23 that are produced and should be. You should
24 be developing assessments independently of
25 taxes because the ultimate goal of the

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2 Department of Assessment, I think I've said
3 this several times whenever we call it tax
4 challenge. It's assessment. We're trying to
5 make sure that assessments are accurate.
6 Everyone's tax rates are going to be different
7 from everybody else and they should be because
8 it's based on their own independent budgets.

9 LEGISLATOR FERRETTI:

10 Understood. My point is not arguing with
11 that. I totally understand. My point is that
12 to continue to talk about the rest of the
13 country I think you have to -- while accepting
14 what you're saying, keep in mind that the
15 impact on people in Nassau County it's more
16 impactful because of the high tax rates here.

17 MR. MILES: But you shouldn't
18 really be going -- you want a coefficient of
19 dispersion that is representative of a true
20 appraisal assessment process. If you're
21 trying to go for perfect there is an issue
22 because that means you are selectively
23 assessing. You're just taking the sales and
24 using them as assessments. So, the fact that
25 we are at four percent means we're where we

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2 should be. If you try to do anything lower
3 means you're just taking the sales and just
4 putting them on and using them as assessments
5 and it's blatantly illegal based on the
6 statutes that are in place and the regulations
7 that are in place.

8 LEGISLATOR FERRETTI: In 2000, I
9 think it was '18 when the phase-in was
10 drafted. Was it '18 or '19?

11 MR. MILES: Passed in '20? State
12 approved in '19.

13 LEGISLATOR FERRETTI: At that
14 time did the Department of Assessment run
15 projections on the tax impacts of the
16 reassessment?

17 MR. MILES: Yes.

18 LEGISLATOR FERRETTI: When those
19 projections were run did any projections show
20 any property in Nassau County paying zero
21 taxes?

22 MR. MILES: No. But it's like I
23 said, it's hard to project when you don't have
24 the '20 or '21 budgets and you can't project
25 what the reductions will be.

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2 LEGISLATOR FERRETTI: So no?

3 MR. MILES: No.

4 LEGISLATOR FERRETTI: Are we sure
5 that this is limited to just seven
6 properties?

7 MR. MILES: Yes. We did a
8 thorough review. It's seven properties that
9 have this common denominator.

10 LEGISLATOR FERRETTI: What was
11 the thorough review you did and when?

12 MR. MILES: Within the last few
13 weeks and it was combing through the
14 assessment roll, combing through the database
15 and seeing where the taxable value was zero
16 due to a combination of a large reduction and
17 the TPP exemption. But I did tell the
18 presiding officer that there were 350 other
19 parcels that had similar set of circumstances
20 but they were vacant land or underwater
21 parcels.

22 LEGISLATOR FERRETTI: Why wasn't
23 this performed a year ago? This review.

24 MR. MILES: Remember, you cannot
25 project SCAR challenges. You cannot project

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2 assessment challenges. And we don't get the
3 school budgets, which this body gripes about,
4 until September from the schools. Some of
5 them are on the border of Suffolk.

6 LEGISLATOR FERRETTI: Doesn't the
7 Department of Assessment have a quality
8 assurance unit?

9 MR. MILES: Yes.

10 LEGISLATOR FERRETTI: What do
11 they do?

12 MR. MILES: They audit. They
13 review the process. But like I said, this is
14 hard to predict. I do want to reiterate it's
15 seven parcels out of 380,000 residential
16 parcels and it's hard to predict when you
17 don't have the school budgets until the late
18 summer or fall. The town budgets in October.

19 LEGISLATOR FERRETTI: Out of the
20 seven properties do you have the values of
21 those properties? The assessed values of
22 them?

23 MR. MILES: I don't have them on
24 me.

25 LEGISLATOR FERRETTI: Do you know

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2 what the lowest assessed value is out of the
3 seven?

4 MR. MILES: I believe it's
5 somewhere between one and \$2 million.

6 LEGISLATOR FERRETTI: So we're
7 talking about seven properties that are
8 million dollar or multimillion dollar
9 properties, right?

10 MR. MILES: Yeah.

11 LEGISLATOR FERRETTI: These
12 properties were all paying property taxes in
13 '19-20 property tax year, correct?

14 MR. MILES: From what I recall.

15 LEGISLATOR FERRETTI: Do you
16 recall what the lowest amount of property
17 taxes for any of those seven properties?

18 MR. MILES: I don't.

19 LEGISLATOR FERRETTI: But you
20 would agree that there's a substantial amount
21 of property taxes that they were paying that
22 they paid zero in '20-21?

23 MR. MILES: Yeah.

24 LEGISLATOR FERRETTI: And you
25 would agree that's not the way you hoped that

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2 this would go? This is an anomaly issue,
3 right?

4 MR. MILES: It's a really rare
5 anomaly with seven parcels. And the
6 administration has asked the county attorney's
7 office to draft legislation to avoid this
8 situation again. But seven parcels is still,
9 once again, hard to -- I don't want to beat a
10 dead horse.

11 LEGISLATOR FERRETTI: I don't
12 want to go back and forth. Let me get to my
13 questions. It wasn't the intent, I would
14 assume, of the administration and the
15 Department of Assessment in year one of the
16 reassessment to tax multimillion dollars home
17 at zero, right?

18 MR. MILES: No, that's not the
19 intent.

20 LEGISLATOR FERRETTI: Just
21 because these seven properties were not taxed
22 does that mean that the municipalities lost
23 out on that money?

24 MR. MILES: No.

25 LEGISLATOR FERRETTI: Where did

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2 the money come from?

3 MR. MILES: The rest of the
4 taxing jurisdiction has it. But based on
5 there being seven parcels the shift is still
6 minimal.

7 LEGISLATOR FERRETTI: In other
8 words, for the county portion of the tax bill
9 every Nassau County resident made up the money
10 that these multimillion dollar estates did not
11 pay, correct?

12 MR. MILES: For seven out of
13 380,000.

14 LEGISLATOR FERRETTI: I know you
15 like to minimize --

16 MR. MILES: No. I'm just giving
17 the facts.

18 LEGISLATOR FERRETTI: I'm just
19 asking you questions. We'll go a lot quicker
20 if you just answer the questions.

21 MR. MILES: I'm just trying to
22 give you the facts legislator. But yes, that
23 gets picked up.

24 LEGISLATOR FERRETTI: So every
25 other resident makes up for these seven

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2 multimillion dollar properties or million
3 dollar properties in not paying property tax.

4 What about other properties that
5 may not be paying zero but are paying a lot
6 less than what you anticipate? I'll give you
7 an example. I know you don't have this in
8 front of you but Kings Point valued at over
9 \$25 million. Taxes reduced from '19-20 of
10 \$145,512 to \$24,830. So, I have a couple of
11 questions about that one.

12 My understanding is with the
13 phase-in you go down, if you're going down,
14 you go down over five years, right?

15 MR. MILES: Likely.

16 LEGISLATOR FERRETTI: Assuming
17 tax rates stay constant. So, year two of the
18 phase-in you'd be paying less than year one,
19 right?

20 MR. MILES: Right. The other way
21 around.

22 LEGISLATOR FERRETTI: No. If
23 you're going down --

24 MR. MILES: I understand. Yes.

25 LEGISLATOR FERRETTI: -- you pay

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2 little less. Than more in the second year.
3 That's the general concept, right? Five year
4 phase-in you go down each year for five
5 years?

6 MR. MILES: Yes.

7 LEGISLATOR FERRETTI: So if this
8 property was taxed before the reassessment at
9 145,512 and year one they're paying 24,830 are
10 we to assume that this \$25 million estate is
11 going to continue to go down for the next four
12 years?

13 MR. MILES: It might be dependent
14 on there being a reduction from a challenge.
15 It might be dependent on there being the
16 existence of other exemptions. You would have
17 to have your counsel or your aides send me
18 the --

19 LEGISLATOR FERRETTI: So you
20 don't know?

21 MR. MILES: I can't know
22 unless -- each parcel is a separate entity
23 amongst itself. So there could be a SCAR
24 reduction. There could be an ARC grievance.

25 LEGISLATOR FERRETTI: I'd be

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2 lying to you if I told you based on this hour
3 and a half I totally understand how this
4 happened. I kind of get it. I don't totally
5 understand it. But I don't think that we can
6 say it's limited to seven properties. This
7 \$25 million estate paying \$24,000 is a
8 problem. They're paying less than a lot of
9 Levittown property owners. So, I don't think
10 we can say it's limited to just seven
11 properties because you didn't know about this
12 one, and I will be happy to get you the
13 information, but this seems to be a problem as
14 well.

15 So just because a property is not
16 paying zero there's clearly other properties
17 that whatever caused this mess it's affecting
18 those other properties too. And when this
19 property went from 145,000 to 24,000, if
20 that's an error, which I assume it is,
21 somebody's picking up that tab as well,
22 right?

23 MR. MILES: But I would need
24 to -- I can't make assumptions unless I see
25 the parcel. So, there may be a grievance.

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2 There may be a SCAR. There may be exemptions
3 that we don't understand.

4 LEGISLATOR FERRETTI: I just want
5 to make the point that when you talk about
6 well, it's only seven properties and it's only
7 a de minimis amount of money you don't know
8 that because there's plenty of properties,
9 based on our research, that went down like
10 this one from 145,000 to 24,000 because of the
11 same thing. So, yeah, it's not zero but it's
12 still 120 less than they should be paying and
13 everyone else is making that up.

14 MR. MILES: Okay. But I still
15 need --

16 LEGISLATOR FERRETTI: You need to
17 see it, I get that. But for argument's sake,
18 if I'm right, and I am, then there are plenty
19 of other properties that the Department of
20 Assessment apparently is not aware of that
21 every other Nassau resident is making and
22 footing the bill for and it's not right. \$25
23 million estate there's no excuse for every
24 other Nassau resident, middle class, low
25 income picking up the tab for these

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2 multimillion dollar estates.

3 MR. MILES: All I can say is send
4 me the data and I'll take a look at it. It's
5 just hard to make assumptions.

6 LEGISLATOR FERRETTI: The new
7 construction exemption. So, again, very hard
8 for me to kind of -- but tell me about that.
9 There's a new construction phase-in, correct?

10 MR. MILES: Yes.

11 LEGISLATOR FERRETTI: Can you
12 just explain it a little bit to me?

13 MR. MILES: Right now?

14 LEGISLATOR FERRETTI: Briefly.
15 You don't have to give me all the details.

16 MR. MILES: It's an incentive
17 based on how the economy is affected by COVID
18 and the housing market and everything.

19 LEGISLATOR FERRETTI: New
20 construction was kind of left out of the
21 phase-in, right?

22 MR. MILES: Yeah. It was not
23 included.

24 LEGISLATOR FERRETTI: So this
25 fixes that?

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2 MR. MILES: This adds this group
3 of individuals and then moving forward
4 construction that is applicable all the way
5 through the '24-25 tax year those homeowners
6 will benefit from the highest exemption if
7 they have qualified physical improvements.

8 LEGISLATOR FERRETTI: The error
9 that happened you call it an anomaly I won't.
10 But this mess with people paying zero property
11 taxes, others paying much less than was
12 intended. This new construction phase-in can
13 we see the same result from that?

14 MR. MILES: I don't believe so
15 because there's a limit on the new
16 construction. There's a top end of \$750,000
17 for the project in its totality.

18 LEGISLATOR FERRETTI: So you
19 don't think that this issue that popped up
20 with I don't call it the Taxpayer Protection
21 Plan because it protected seven taxpayers not
22 the rest of them, but the phase-in, you don't
23 see this anomaly being able to carry over to
24 this new construction?

25 MR. MILES: I don't think so and

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2 that's not the intent. Like I said, it's hard
3 to project what it is. But no, that's not the
4 intent of the law. The intent of the law is
5 to provide a benefit to homeowners.

6 LEGISLATOR FERRETTI: That's a
7 different answer. The intent of the law as we
8 know, the five year phase-in, didn't intend to
9 have people paying zero. I just think it's
10 something that we kind of need to think about
11 because this is new and we certainly don't
12 want to go down the same path as what we're
13 dealing with now.

14 But I want to thank you both again
15 for being here and answering questions.

16 LEGISLATOR NICOLELLO: Legislator
17 Rhoads.

18 LEGISLATOR RHOADS: Just to kind
19 of -- we're running out of time -- just to
20 sort of sum up where we are. We know that
21 there are seven properties in the county that
22 are paying zero in taxes based on Legislator
23 Ferretti's questioning. We don't know whether
24 there may be hundreds, potentially thousands
25 more that are paying substantially less than

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2 what they should be paying. We have no idea
3 of those numbers because the Department of
4 Assessment ran its check to see if there was
5 anybody else paying zero but I'm sure you
6 didn't check to see if anyone was paying an
7 amount in taxes that is grossly undervalued
8 for the value of their property, right?

9 MR. MILES: Each parcel is
10 different. Each situation is different.

11 LEGISLATOR RHOADS: All I'm
12 asking is, you really don't know the extent of
13 the problem, right?

14 MR. MILES: We did the search for
15 zero taxable due to the TPP and a significant
16 reduction and it was 350. But most of those,
17 other than seven, were land value or
18 underwater. So these are the seven that were
19 produced.

20 LEGISLATOR RHOADS: You
21 acknowledged that there is, and certainly
22 Legislator Ferretti pointed to an example.
23 I've got a gentleman paying 31,500 in taxes on
24 a \$700,000 house. Meanwhile a \$25 million
25 property is paying \$24,000 in taxes. That's a

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2 problem, right? You would agree that's an
3 issue?

4 MR. MILES: I can't say
5 anything's a problem until I see what the
6 individual circumstances are.

7 LEGISLATOR RHOADS: But there's
8 no reason to believe that this is just one
9 outlier, one example out of 383,000 properties
10 of a much larger problem, right?

11 MR. MILES: I'm not going to
12 predict problems.

13 LEGISLATOR RHOADS: You're going
14 to check for that?

15 MR. MILES: I'll check for
16 whatever you want me to check legislator.

17 LEGISLATOR RHOADS: Again, I just
18 want it to be right. That's all anybody
19 wants, right? That clearly is not right. The
20 seven taxpayers that are paying zero, again,
21 not their own fault, they participated in a
22 system we set up. They grieved their taxes.
23 As a result of the phase-in that the
24 administration set up that's the result. Not
25 their fault.

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2 MR. MILES: And approved by this
3 body.

4 LEGISLATOR RHOADS: Our job is to
5 figure out why that happened and what the
6 extent of the problem is, why the problem
7 happened and what we're going to do to fix it,
8 right?

9 MR. MILES: We know what happened
10 with these seven and like I said this is --

11 LEGISLATOR RHOADS: Do we know
12 what happened with these seven?

13 MR. MILES: Yeah. I explained it
14 earlier.

15 LEGISLATOR RHOADS: You figure
16 TPP by taking -- basically I want to make sure
17 I understand. You figure the TPP by taking
18 the '20-21 tentative value minus the '19-20
19 effective value to get the five-year phase-in,
20 right?

21 MR. MILES: Yes.

22 LEGISLATOR RHOADS: To get the
23 '20-21 taxable value you would take the
24 '20-21 effective minus the TPP and then add
25 20 percent of the property's TPP value,

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2 right?

3 MR. MILES: Yes.

4 LEGISLATOR RHOADS: We've done
5 that for a few of these seven properties and
6 while they pay zero in taxes and have had zero
7 taxable value in the system, we showed that
8 they should have had some taxable value; is
9 that correct?

10 MR. MILES: Before the reduction
11 there was significant taxable value. Once you
12 apply the SCAR reduction it took out the
13 taxable value.

14 LEGISLATOR RHOADS: That's
15 because we used the tentative for the purpose
16 of calculating the phase-in but it's being
17 applied to the affected value as a result of
18 the grievance process.

19 MR. MILES: Correct.

20 LEGISLATOR RHOADS: So that is
21 the basis for the problem that we couldn't
22 handle or the system couldn't handle or didn't
23 know how to handle a negative value.

24 MR. MILES: Negative value is --
25 if there's no taxable value left there's

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2 nothing, you know.

3 LEGISLATOR RHOADS: But you got
4 to add the 20 percent back in.

5 MR. MILES: Even with the 20
6 percent back in, if the SCAR reduction or the
7 ARC grievance or the judgement, whatever,
8 applied to those seven parcels, if there was
9 for my example if it's a million two, with the
10 TPP on top of it, the 20 percent, and if the
11 SCAR reduction is a million two it takes out
12 the taxable value. If it's even or more
13 there's nothing left.

14 LEGISLATOR RHOADS: So the
15 problem appears to be that the TPP is using
16 the tentative values from January of 2019 as
17 opposed to the effective values that were
18 produced as part of the existing tax roll on
19 the basis of which tax bills were actually
20 sent out, right?

21 MR. MILES: It's a rare anomaly
22 for the seven and this is something that the
23 county attorney's office is looking at and
24 will be drafting state legislation to avoid in
25 the future. But it only applies to seven

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2 parcels.

3 LEGISLATOR RHOADS: But based on
4 Legislator Ferretti's questioning, it may be
5 more this anomaly that you keep calling is not
6 limited just to these seven properties. You
7 have other properties out there potentially
8 for which this same equation is resulting in
9 grossly deflated numbers.

10 I've got 70 percent of the
11 taxpayers in my district that are paying more
12 in taxes, school and property taxes, as a
13 result of the reassessment. I know countywide
14 it was two-thirds. That's bad enough. A
15 community like Merrick, for example, it's
16 almost 75 percent. When they turn around and
17 see a \$25 million property paying \$24,000 in
18 taxes or \$4 million property paying zero in
19 taxes that's a problem that we need to be able
20 to explain.

21 So, now that we know why it's
22 happening, because it seems to be that as a
23 result of the use of taxable value as the
24 basis for the phase-in, which was one of the
25 objections that I had to it at least in the

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2 beginning, what exactly -- and I know you said
3 the county attorney's office is working this
4 out -- really isn't that an assessment
5 question as how to fix that?

6 MR. MILES: I'm sure the county
7 attorney's office will --

8 LEGISLATOR RHOADS: Are we
9 getting more lawyers involved in trying to
10 figure out --

11 MR. MILES: Hopefully you have
12 lawyers involved to draft the law. That only
13 makes sense.

14 LEGISLATOR RHOADS: Shouldn't the
15 Department of Assessment though be working on
16 the fix and giving it to the attorneys as to
17 how --

18 MR. MILES: Obviously,
19 thankfully, we have a great relationship with
20 our county attorney's office and the
21 Department of Assessment will work with the
22 county attorney's office obviously.

23 LEGISLATOR RHOADS: Aren't we
24 going to have the same issue at least with
25 respect to these seven properties next year?

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2 MR. MILES: No.

3 LEGISLATOR RHOADS: Isn't the
4 difference --

5 MR. MILES: No, you won't. You
6 won't have this issue. Because the base
7 remains the same no matter what.

8 LEGISLATOR RHOADS: Right.

9 MR. MILES: So it goes up by that
10 amount.

11 LEGISLATOR RHOADS: So what if 40
12 percent still leaves them with a negative
13 value?

14 MR. MILES: You can't go off of a
15 negative value.

16 LEGISLATOR RHOADS: Well, we just
17 did.

18 MR. MILES: But the negative
19 value is zero. But for '21-22 the exemption
20 base will be applied.

21 LEGISLATOR RHOADS: So, we know,
22 just to sum this up because I know we've got a
23 full legislative session shortly, we know that
24 the issue is the TPP's use of, the phase-in's
25 use of tentative values, right? We know about

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2 these seven properties. We know that there
3 may be more based on Legislator Ferretti's
4 example. We don't know how extensive the
5 problem is, nor do we know as of yet how it's
6 going to be fixed. When can we expect to get
7 the answers to those last two questions?

8 MR. MILES: We are working with
9 the county attorney's office on a potential
10 remedy for these seven. I'm sorry, the
11 session's not even started yet for the state
12 legislature.

13 LEGISLATOR RHOADS: I understand
14 that. But first you got to figure out how
15 extensive this problem is. It's not just the
16 seven. You can sign it fixed for the seven
17 but you still have these other potential
18 properties you got to account for.

19 MR. MILES: I'm getting two
20 examples on the fly and I don't particularly
21 know what their individual circumstances are.

22 LEGISLATOR RHOADS: Is there
23 something that you would be aware that would
24 result in a \$25 million property paying
25 \$24,000 in taxes?

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2 MR. MILES: I'd have to see the
3 individual examples.

4 LEGISLATOR RHOADS: Because if
5 there's is some magic formula to that you'd
6 probably should publish it someplace. Can we
7 get those answers in a reasonable period of
8 time? At least the extent of the problem and
9 then what the fix is going to be?

10 MR. MILES: Please send me the
11 examples.

12 LEGISLATOR RHOADS: I have no
13 other questions. Thank you.

14 LEGISLATOR NICOLELLO: Anyone
15 else? Thank you Mr. Miles. Mr. Denion, you
16 didn't really have much to do today. Thank
17 you very much and I'm going to call this
18 hearing to a close. Thank you.

19 (Hearing adjourned at 11:50 a.m.)

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CERTIFICATION

I, FRANK GRAY, a Notary
Public in and for the State of New
York, do hereby certify:

THAT the foregoing is a true and
accurate transcript of my stenographic
notes.

IN WITNESS WHEREOF, I have
hereunto set my hand this ninth day of
August 2021

FRANK GRAY