

MAURICE CHALMERS
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BUDGET REVIEW



NASSAU COUNTY LEGISLATURE
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Inter-Departmental Memo

To: Hon. Norma Gonsalves, Presiding Officer
Hon. Kevan Abrahams, Minority Leader
All Members of the Nassau County Legislature

From: Maurice Chalmers, Director
Office of Legislative Budget Review

Date: October 28, 2016

Re: Clerk Items 393-16, 396-16, 397-16 & 398-16

Attached are copies of Fiscal Impact Statements for Clerk Items 393-16, 396-16, 397-16, and 398-16 which will be on the Legislative Calendar for the October 31st hearing.

- 393-16: A Local Law to amend the Nassau County Administrative Code and Miscellaneous Laws of Nassau County in regards to fees payable to County Agencies and Departments.
- 396-16: A Local Law to amend the Administrative Code of Nassau County in relation to penalties on delinquent taxes.
- 397-16: A Local Law amending Title B, Article 2, of Chapter 5 of the Administrative Code of Nassau County.
- 398-16: A Local Law to amend the Nassau County Administrative Code in relation to providing greater protection to Nassau County consumers.



CLERK ITEM 393-16

**THE NASSAU COUNTY LEGISLATURE
OFFICE OF LEGISLATIVE BUDGET REVIEW
MAURICE CHALMERS, DIRECTOR
FISCAL IMPACT STATEMENT**

TITLE:

A Local Law to amend the Administrative Code and the Miscellaneous Laws of Nassau County in regards to fees payable to County Agencies and Departments.

SUMMARY OF LEGISLATION:

This local law removes the amount of certain fees from the Nassau County Administrative Code and Miscellaneous Laws of Nassau County so that they can be set by ordinance instead of local law. According to the legislation, it would be simpler and more accessible to the public if most, if not all, of these fees were put into a single ordinance. It should be mentioned that Ordinances do not require fiscal impact statements.

Although, clerk item 393-16 only removes from the Nassau County Administrative Code and Miscellaneous laws of Nassau County fees in the Office of Consumer Affairs, the Police Department, the Department of Public Works, and the Probation Department, these fees and any corresponding adjustments will be reflected in an Ordinance, clerk item 392-16. The departments corresponding to the local law are discussed in this report.

EFFECTIVE DATE:

This law shall become effective January 2, 2017.

FISCAL IMPACT:

As a result of the increases included in item 392-16, the chart on the next page displays the Administrations' anticipated 2017 collections. The Ordinance also sets out-year rate increases for many items, the value of which will depend on volume trends. As such, the Administration has included in the MYP, below the line, a revenue projection for many revenue initiatives as a gap closer, which is not broken out by department. Future budgets will include a more precise out-year estimated revenue from the fee increases. A discussion of the individual fee adjustments, which are expected to generate \$67.5 million in FY 17, follows the chart.

		2017
		Projected Impact
		(Millions)
Fee Increase		
DPW	\$	0.5
Office of Consumer Affairs		0.8
Police Department		65.9
Probation		0.3
Grand Total	\$	67.5

In the Probation Department, the Miscellaneous Laws of Nassau County are being amended so that nine fees and one surcharge will be set by ordinance. Some of these fees include the pre-sentence investigation fee, the enhanced pre-sentence investigation fee, and the community service placement fee. Correlating Ordinance 392-16 sets these fees from FY 17 to FY 20. This local law further states that if the County Legislature fails to pass Ordinance 392-16 setting these fees by December 31, 2016, then on January 1, 2017 higher fee rates would be in effect. For example, the pre-sentence investigation fee would increase from \$450 in the ordinance to \$900, effective until an ordinance setting these fees is passed. The Administration estimates an additional \$0.3 million from increasing these fees in FY 17.

The proposed local law will also amend the Miscellaneous Laws, pertaining to the Department of Public Works (DPW), to add a new fee to be set by ordinance. This fee shall be imposed in relation to departmental reviews and approvals pursuant to General Municipal Law §239-f and other similar laws. The Commissioner may waive the fee, or any part thereof, should other necessary improvements, as determined by the Commissioner, be provided. The Administration is projecting \$0.5 million from the new Transportation Impact Fee (TIF) in FY 17. No changes for the fee are currently anticipated in the out-years. It is a one-time fee that is determined based on the anticipated demand associated with the proposed project.

For the Police Department, this proposed local law will amend the Administrative Code as it applies to the language for certain fee such as accident report fees, voluntary fingerprinting and towing and impound. The amended version, removes from the proposed budget approximately \$1.0 million in revenue from alarm fines and adds a voluntary finger printing fee and also adjusts the Motor carrier safety fee.

The new Public Safety Fee, which will remain flat in the out-years, will assess a fee of \$105 on all traffic and parking Notice of Liability (NOL) violations and raise approximately \$64.4 million in revenue. In totality, all fee adjustments in the Police Department are anticipated to generate \$65.9 million in revenue. In addition, there will be an opportunity from the bus driver finger printing fee.

In the Office of Consumer Affairs, the Administrative Code is being amended so that a number of permits and licenses can be set via ordinance. According to the Administration and the department, \$0.8 million in permits and license revenues will be generated from the heightened fee structure. If the County Legislature fails to pass Ordinance 392-16 by December 31, 2016, then on January 1, 2017, the proposed fees would be set at much higher levels until an ordinance setting these fees is passed. For example, the locksmith license fee would be increased from

\$600 in the ordinance to \$1,200. Through the years, many fees have been instituted without being fully implemented due to inadequate staffing levels.

ECONOMIC IMPACT:

The proposed fee increases will directly impact people and /or businesses subject either to the service and / or penalty. However, it is not clear if the fees will deter overall County economic activity.

FISCAL IMPACT PREPARED BY:

Helen Carlson, Deputy Director

Deirdre Calley, Deputy Director

Tyler Barbieri, Senior Legislative Budget Analyst

Linda Guerreiro, Senior Legislative Budget Analyst

Connie Tucker, Senior Legislative Budget Analyst

Dawn Wood-Jones, Senior Legislative Budget Analyst



CLERK ITEM 396-16

**THE NASSAU COUNTY LEGISLATURE
OFFICE OF LEGISLATIVE BUDGET REVIEW
MAURICE CHALMERS, DIRECTOR
FISCAL IMPACT STATEMENT**

TITLE:

A local law to amend the Administrative Code of Nassau County in relation to penalties on delinquent taxes.

SUMMARY OF LEGISLATION:

This local law increases the penalty percentage paid for non-payment of property taxes in a timely fashion from 5.0% to 6.0%. The amendment impacts payment of state, county, town, special district and school taxes.

EFFECTIVE DATE:

This local law has a January 1, 2017 effective date.

FISCAL IMPACT:

The increase in the delinquent tax penalty percentage would result in about \$1.0 million in additional revenues. The FY 17 Proposed Budget incorporates this \$1.0 million revenue increase on the interest penalty on tax, penalty on delinquent tax line. These revenues are held constant at the FY 17 level in the out-years of the Multi-Year Financial Plan (MYP).

ECONOMIC IMPACT:

The proposed fee increases will impact those subject to the penalty. These fees are not expected to deter economic activity.

FISCAL IMPACT PREPARED BY:

Deirdre Calley, Deputy Director



CLERK ITEM 397-16

**THE NASSAU COUNTY LEGISLATURE
OFFICE OF LEGISLATIVE BUDGET REVIEW
MAURICE CHALMERS, DIRECTOR
FISCAL IMPACT STATEMENT**

TITLE:

A local law amending Title B, Article 2, of Chapter 5 of the Administrative Code.

SUMMARY OF LEGISLATION:

This local law will provide flexibility and use of modern technology in conducting tax lien sales.

- It grants the Treasurer the authority to auction tax lien sales over the internet. The Treasurer may use this authority at his or her discretion.
- If a tax lien does not sell online, it may then be sold at an in-person auction.
- The law requires that the Treasurer make computers available to the public for online auction. The Treasurer may use his authority to charge a fee, not currently specified, for use of the Office's computers. The Treasurer may waive this fee.
- It allows the Treasurer to "bundle" tax liens, selling them together but maintaining their own identity.
- It changes the methodology by which Treasurer Office fee rates can be changed, from passage of a local law to passage of an ordinance. As such, fiscal impact statements will no longer be required to change fees in the Treasurer's Office.
- It prohibits the purchase of tax liens by County Officials, employees, and board members, either directly or indirectly.

EFFECTIVE DATE:

This law shall become effective immediately upon passage.

FISCAL IMPACT:

This local law is expected to maximize the collection of unpaid property taxes and to increase the penalty on taxes – listing fee. The Treasurer would be able to auction tax liens over the internet.

The Treasurer's Office would make four computers, which currently reside at their 1 West Street office, available to the public during auctions. Moreover, they anticipate that most participating individuals will have their own computers. Hence, no additional costs are expected from the requirement to provide computers. Based on Departmental testimony at the October 5, 2016 legislative hearing, it was indicated that there would be a one-time \$67,000 initial development cost.

To recoup any costs associated with the modernization of the tax lien sales procedure, correlating Ordinance 392-16 has been introduced which raises the fees associated with the sale of tax liens; this previously had been completed via local law.

The first component is to allow for the use online tax lien sales which is expected to generate \$1.1 million in new revenues on the differential lien interest and miscellaneous receipts lines. The additional revenue is anticipated not just from increased registrations, but from the sale of previously unsaleable parcels which could now be bundled with higher valued parcels. According to Ordinance 392-16, the online tax lien sale registration fee would be \$125.00.

The second component is to increase the interest penalty on tax, penalty on tax – listing fees rate which is projected to yield \$2.5 million in additional revenues. At the current \$90.00 rate the County collected \$2.5 million in FY 15, hence doubling the rate to \$180.00 is expected to double collections to \$5.0 million.

Hence, the FY 17 Proposed Budget incorporates approximately \$3.6 million in incremental revenues originating from all the above detailed modifications.

ECONOMIC IMPACT:

For tax lien buyers who engage in thousands of dollar transactions, this local law is not expected to deter the completion of any tax lien sale.

FISCAL IMPACT PREPARED BY:

Deirdre Calley, Deputy Director



**THE NASSAU COUNTY LEGISLATURE
OFFICE OF LEGISLATIVE BUDGET REVIEW
MAURICE CHALMERS, DIRECTOR
FISCAL IMPACT STATEMENT**

TITLE:

A Local Law to amend Nassau County's Administrative Code in relation to providing greater protection to consumers in Nassau County.

SUMMARY OF LEGISLATION:

The law stipulates requirements for Tax Assessment Reduction Service (TARS) Providers, Pet Grooming Businesses / Providers and Health Club Operators. Each will be addressed below.

In regards to Tax Assessment Reduction Service (TARS) Providers, the proposed local law amends the Administrative Code to make a number of changes to the current regulations. For example, the proposal prohibits TARS providers from engaging in certain activity such as representing that they are a government entity or affiliated with a government entity. The proposal also clarifies a number of important industry terms, such as dwelling and service providers, among others. Finally, the local law outlines new responsibilities for the County Assessor, mainly the licensing of the tax roll for commercial purposes.

According to the proposed local law, TARS may not charge more than \$25 for completing a School Tax Relief (STAR) exemption or \$50 for an Enhanced STAR or Senior Citizen tax exemption. Failure to comply with any provision in this local law is considered a Class A misdemeanor punishable by a fine of up to \$5,000 and/or a prison sentence of up to one year. Alleged violators have the right to a hearing within 10 days upon receiving a notice of violation. The violator will appear before the Commissioner or her designee. The OCA's Commissioner must promulgate regulations necessary for the implementation and enforcement of this local law.

Additionally, the County Assessor's office will maintain copies of the tax roll and offer to license it for commercial purposes at the cost of a fee set by ordinance. Commercial use of the roll includes, but is not limited to, trend analysis, client solicitation, and transfer in any medium to a third party. As reflected in Clerk item 392-16, the proposed commercial use license fee is \$10,000.

For Pet Grooming Businesses and Providers, the proposed local law would bring pet grooming businesses and pet groomers under the regulatory purview of the OCA. This legislation institutes a licensing procedure, penalty schedule, and appeals process for this industry and its practitioners. In order to maintain their licenses, pet grooming businesses and pet groomers will both be required to uphold a number of health and safety standards. Applicants may not have an outstanding un-negotiated judgment, lien, tax warrant, or unpaid child support. The OCA's Commissioner must promulgate

regulations necessary for the implementation and enforcement of this local law. These licenses do not negate any other municipal or governmental requirement, law, or regulation.

Both the business and practitioner licenses will be valid for two years. The initial license fee and the biennial renewal fee will be set by ordinance. The proposed fees are reflected in Clerk item 392-16 and the following chart:

Pet Grooming License Proposed Fee	Amount
Business License	\$600
Business Renewal	\$600
Individual License	\$600
Individual Renewal	\$600
Business Assignment, Transfer, or Endorsement	\$100

The Commissioner may deny, suspend, or revoke a license if a licensee is found responsible for three violations in a two-year period, convicted of a crime impacting their fitness to provide pet grooming services, omits or misrepresents facts from their license application, or is found to have committed civil fraud.

Failure to comply with any provision in this local law is punishable by a fine of up to \$5,000 and/or a prison sentence up to 15 days. Each failure to comply with the title is considered a separate offense each day the offense is continued. A person found to be violating any provision of this local law is subject to a \$1,000 civil fine for each day the offense continues. Alleged violators have the right to a hearing within 10 days upon receiving notice of a violation. The violator will appear before the Commissioner or her designee. The Commissioner has been granted the discretion to waive or compromise any authorized fine.

For Health Club Operators, the local law would bring operators under the regulatory purview of the OCA. This legislation institutes a licensing procedure, penalty schedule, and appeals process for this industry. The local law defines health clubs as persons, firms, corporation, or other business enterprise engaging in the promotion or development of physical fitness. The local law includes in its definition health spas, clubs (e.g. sports, tennis, racquet ball, platform tennis, and health), figure salons, health studios, gymnasiums, weight control studios, and martial arts schools.

The proposed license would protect Nassau’s consumers by compelling health club operators to meet certain financial obligations and requiring them to include certain language in member’s contracts. Contracts and agreements for the following services fall under the purview of this legislation: instruction or training in body building, weight loss, figure development, martial arts, and other physical training. Membership contracts for groups, clubs, or associations engaging in these activities are also subject to this law. The local law explicitly outlines those contracts that are not subject to this legislation, including agreements with non-profit groups, boarding accommodations, and contracts for services provided by academic institutions (e.g. New York State accredited universities, etc.), among many others. The local law lays out the licensing procedure each club must follow, outlines financial requirements for certain sized facilities, and lists prohibited trade practices for all clubs.

The proposal also requires health club operators to abide by certain contract standards, such as allowing the estates of deceased health club members to cancel the decedent’s contract. The following are but a few examples from the proposal:

- “No contracts for services shall require payment by the person receiving service or the use of the facilities of a total amount in excess of three thousand six hundred dollars per annum, provided, however, that this subdivision shall not apply to contracts relating solely to the use of tennis, platform tennis, or racquet ball facilities.”
- Contracts shall not exceed 36 months, require financing over 37 months, or be measured by or be for the life of the member. Installment payments must be in substantially equal amounts and occur at substantially equal intervals, no more than a month apart.
- No health club may assign a member’s contract to another health club located on another premises.

License applicants will be subject to a non-refundable application fee. Licenses will be valid for two years. Licensees may request additional licenses to operate other clubs in the County. Application, initial license, additional license, and renewal license fees will be set by ordinance. The proposed fees are reflected in Clerk item 392-16 and the following chart:

Health Club Operator Proposed Fee	Amount
Operator License	\$1,200
Renewal	\$600
Assignment, Transfer, or Endorsement.	\$100

Any violation of this local law is punishable by a civil fine of up to \$2,500. Licensees shall be guilty of a misdemeanor if they fail to comply with any provision of this local law’s financial instrument requirement. Alleged violators have the right to a hearing within 10 days upon receiving notice of a violation. The violator will appear before the Commissioner or her designee.

EFFECTIVE DATE:

This law shall take effect on January 2, 2017

FISCAL IMPACT:

Based on the Office of Management and Budget’s (OMB) estimated establishments, the heightened fee could generate \$330,000 in license revenue for FY 17. The estimate is based on 200 health clubs at \$1,200 per initial license and 150 pet groomers at \$600 per initial license. The proposed licenses must receive Legislative approval, and then OCA must promulgate rules and regulations, before any revenue will be generated from them. In all likelihood, these new licenses won’t be fully implemented until well into the fiscal year. An estimated \$200,000 in revenue from TARS that was included in the original draft has been removed. Assessment is in line to generate tax roll licensing revenue, further alleviating license fee variation in the out years. In addition, an opportunity may arise in fine revenue, as OCA will have the ability to assess fines on TARS providers, pet groomers, or health club operators in violation of this local law.

In recent years, OCA has been tasked with the responsibility of regulating a number of industries such as overseeing pet dealers, environmental hazard remediators, drycleaners, laundromats, home services

businesses, junk dealers, among many others. However, staffing in the department has decreased bringing into question its ability to enforce an ever growing list of responsibilities.

As the chart below demonstrates, OCA’s budgeted full-time headcount has been reduced from a high of 32 in FY 12 to 26 in the Proposed FY 17 Budget.

Year	Full Time Headcount
FY 12	32
FY 13	27
FY 14	27
FY 15	25
FY 16	25
FY 17	26

The addition of staff would ensure that the OCA achieves full implementation and enforcement of this and previous local laws while meeting its responsibility to protect Nassau’s consumers by regulating these industries. In addition, OCA could exceed its targets if it is given the necessary staffing and resources.

ECONOMIC IMPACT:

The proposed fee increases will directly impact people and /or businesses subject either to the service and / or penalty. It is not clear if the fees will deter overall County economic activity.

SOURCES OF INFORMATION: Office of Management and Budget (OMB); Office of Consumer Affairs (OCA); Assessment Review Commission (ARC).

PREPARED BY: Tyler R. Barbieri, Senior Budget Analyst