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**Comptroller Schnirman Releases Two Follow-Up Audits of Department of Assessment**

*Reports Show Improvement on Payments in Lieu of Taxes (PILOT) Collection and Assessment Exemptions Process.*

*2018 Audit of Payments in Lieu of Taxes Resulted in Recovery of \$7.6 Million. 2019 Audit of Assessment Exemptions Found \$33 Million in Property Taxes Associated with Questionable Exemptions.*

**MINEOLA, NY** - Nassau County Comptroller Jack Schnirman announced the release of two follow-up reports of audits focused on the Department of Assessment. The original audits looked at the collection of Payments in Lieu of Taxes (PILOT) revenue by the Department of Assessment as well as the application of property tax exemptions by the department. The Comptroller's Office issues audit follow-up reports to ensure accountability and that progress from the original audit is monitored.

Both audits at the time collectively provided 47 recommendations for the Department of Assessment. The follow-up reports being issued today showed that the Department has made measurable progress.

"These follow-ups aren't about playing 'gotcha' but about focusing on outcomes that benefit residents and taxpayers," said **Nassau County Comptroller Jack Schnirman**. "These two audits demonstrate measurable progress for residents and taxpayers on the corrective actions that we recommended. These follow-ups have been a collaborative process that have resulted in measurable steps forward by County Executive Laura Curran that help ensure a level playing field and fairness in the assessment process."

In 2018, the original Audit on PILOT collections spurred the recovery of \$7.6 million in PILOT revenues to Nassau County. The Audit found that the Department of Assessment had not received the County's portion of \$7.6 million in PILOT revenue from the Town of Hempstead. Further, the audit found that more than \$6 million in additional potential County revenues were lost.

In 2019, the original Audit on Assessment Exemptions Processing revealed a number of issues with the information being used to support exemptions, such as senior or veteran exemptions. For example, the Audit found that property owned by estates of the deceased were still receiving tax exemptions intended for the previous owner and veterans exemption errors were given to people who would have

been 133 years old. Improperly applied exemptions shifts millions of dollars in overall property tax burden from those receiving improper exemptions to those not receiving exemptions. The Audit also found that the County's low level of assessment percentage led to disproportionate personally owned clergy property exemptions, removing in excess of \$272 million in annual taxable value.

As a result of the audits, the Comptroller's Office collectively provided 47 recommendations for the Department of Assessment. Through both follow-ups, the Office determined that 28 recommendations have been implemented and 16 recommendations are in the process of being implemented. Some of the implemented recommendations include:

1. Creating an updated operating procedure for all of the various exemption types used in Nassau County;
2. Developing standard procedures for individual exemptions detailing the various eligibility criteria for each exemption and training employees on these procedures; and
3. Developing standard operating procedures for PILOT billing, collection, monitoring of revenues, and tracking of outstanding receivables.

"The assessment process is extremely complex, and the Department of Assessment has to continue to be vigilant in ensuring that the exemptions are applied fairly and equitably," concluded **Schnirman**. "Our follow-up report demonstrates that the Department of Assessment is working to strengthen its internal controls to improve accuracy and efficiency to decrease the risk for waste, fraud, and abuse."

Separately, the Comptroller's Office is currently conducting a review of procedures and controls utilized by the Assessment Review Commission (ARC) in reviewing residential applications for correction of property tax assessment filed for or on behalf of individual taxpayers.

You can read the reports at [www.nassaucountyny.gov/audits](http://www.nassaucountyny.gov/audits).

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