

HENRY GEORGE SCHOOL OF SOCIAL SCIENCE
CHARTERED BY THE UNIVERSITY OF THE STATE OF NEW YORK
30 EAST 29TH STREET, NEW YORK CITY
TELEPHONE MURRAY HILL 4-8270

ADMINISTRATION AND FUNCTIONS OF THE TAX DEPARTMENT OF THE
CITY OF NEW YORK

THE PRINCIPLES OF ASSESSING

A Seven Lecture Course given by John F. St. George

1. Administration and Functions of Tax Department.
2. Land Valuation - Termination, Principles.
3. Land Valuation.
4. Assessment Principles.
5. Various Approaches to Valuation.
6. Tax Department Records.
7. Examination and Summary.

Adapted from "Knowing The Tax Department and Tax Commission"
1938. Published by the Tax Department, City of New York.
William Stanley Miller, President. Revised, January 1, 1941.



ADMINISTRATION

1. Q. Who is the head of the Tax Department?
A. The head of the Tax Department is the President of the Tax Commission.
2. Q. Who composes the Tax Commission?
A. The Tax Commission is composed of the President and six Commissioners, appointed by the Mayor.
3. Q. What are the duties of the President of the Tax Commission?
A. The President is charged with directing the assessing for taxation of all taxable real property and the preparation of the assessment rolls. He is also charged with the duty of administering the Tax Department and assigning powers and duties to the Commissioners, other than those specifically provided for in the Charter and Administrative Code.
4. Q. What are the duties of the Tax Commission?
A. The Tax Commission is charged with the duty of reviewing and correcting all assessments of real property for taxation. The administrative Code provides further that the Tax Commission is charged generally with the duty and responsibility of assessing all real property subject to taxation within the city. Commissioners also exercise such other powers and duties as the President may from time to time assign to them.
5. Q. Does the Tax Department establish the tax rate?
A. No; the tax rate is established by the City Council, and this must be done between June 20th and June 25th in each year.
6. Q. Does the Tax Department fix the amount to be raised by real estate taxation?
A. No; the Tax Department has nothing whatever to do with expenditures and the budget of the City. The department is only authorized and empowered to fix the valuation of real property for taxation purposes.

The Comptroller of the City prepares a statement for the City Council setting forth the amounts to be raised by real estate taxes and other sources of revenue.
7. Q. Does the Tax Department issue tax bills or collect taxes of any kind?
A. No; this is the function of the Bureau of City Collections of the Finance Department.
8. Q. Does the Tax Department levy assessments for public improvement costs, such as sewers, street openings or widenings, paving, curbing and grade changes?
A. No; the Tax Department has no jurisdiction over this. Assessments for physical street improvements are made by the Board of Assessors, which is a separate and distinct department.
9. Q. What is the Board of Revision of Assessments?
A. The Board of Revision of Assessments is composed of the Comptroller, the corporation Counsel and the President of the Tax Commission or a member of said commission designated by the President. To this Board is referred appeals from determination made by the Board of Assessors on matters of assessments for local improvements such as sewers, street openings or widenings, paving, curbing and grade changes. This Board has nothing to do with the assessed valuations of real property as fixed by the Tax Commission.
10. Q. Where are the offices of the Tax Department located?
A. The principal office is in the Municipal Building in Manhattan. There are offices in each of the other four boroughs.
11. Q. Does the Tax Commission have power to remit or reduce taxes?

- A. Yes, the Tax Commission may remit or reduce a tax upon real property where lawful cause therefore is shown or where such tax is found to be excessive or erroneous. However, such remission or reduction must be made within one year after the delivery of the assessment rolls, to the City Treasurer for the collection of such tax. After the expiration of one year from the delivery of such assessment rolls, the City Treasurer with the written approval of the Tax Commission may correct any assessment or tax which is erroneous due to a clerical error or to an error of description contained in the Annual Record of Assessed Valuations or in the assessment rolls.

12. Q. Who assesses property?

- A. The assessors under the direction of the President are charged with the duty of assessing for taxation all the taxable property in the several districts that may be assigned to them by the President.

The assessors furnish to the President under oath a detailed statement of all taxable real estate showing that they have personally examined each and every house, building, lot, pier or other taxable property. Such statement contains the street, section or ward, block and lot, and map or identification numbers of such real estate in such district; the sum for which each separately assessed parcel would sell under ordinary circumstances if unimproved and the sum for which the same parcel would sell under ordinary circumstances with the improvements thereon, if any. These statements under oath are known as Annual Records of Assessed Valuations.

The assessors are required to furnish such other information as the President may need from time to time.

13. Q. How are assessors appointed?

- A. The assessors are appointed from lists of the Civil Service Commission after qualifying by competitive examination.

14. Q. What constitutes the organization of the Tax Department?

- A. The President of the Tax Commission is the head of the Tax Department. There are also the following bureaus and offices in the department:

1. Real Estate Bureau (for the assessment of property other than utility property.
2. Bureau of Real Estate of Corporations and Special Franchises (for the assessment of utility properties). This class of property is indicated in the Annual Record of Assessed Valuations by an identification number.
3. Research Bureau.
4. Certiorari Bureau.
5. Surveying Bureau, including a bookbinding and photostat shop.
6. Chief Assessor's Bureau.
7. Chief Clerk's Bureau.

15. Q. Are there any committees in the Tax Department?

- A. Yes. These committees, however, are not provided for in the Charter or the Administrative Code, but are committees appointed by the President of the Tax Commission, from among the Commissioners.

These committees are as follows:

1. Exemption Committee, which hears and reports on all applications for exemption and makes recommendations to the Tax Commission.
2. Committee on Grades and Salaries which hears, reports and makes recommendations to the President of the Tax Department of matters pertaining to

personnel insofar as promotions, salaries, examinations and ratings are concerned.

3. Committee on Research which supervises generally and makes necessary recommendations to the President on the work of the research bureau.
4. Committee for the Reorganization of the Bureau of Real Estate of Corporations and Special Franchises which supervises generally, reports and makes recommendations to the President on the work of that bureau.
5. Committee on WPA project which generally supervises a federal project granted to the department. This project is gathering information for a property card for each parcel of real estate in the City of New York, which, will be kept as a permanent record in the department.
6. Committee for the Establishment of Rules and Regulations for practicing before the Tax Commission.
7. Certiorari Committee to look into and recommend to the President changes in the methods employed in connection with the Tri-Departmental Settlement Board in the settlement of certiorari proceedings.

16. Q.What are the composition and function of the real estate bureau?

A.This Bureau is composed of a chief assessor, assessors in charge of borough offices, assessors, junior assessors, and a clerical and stenographic staff.

The assessors in this bureau assesses all real estate property except real estate of corporations (utility properties).

17. Q.What are the composition and function of the Bureau of Real Estate of Corporations and Special Franchises?

A.This Bureau is composed of assessors who are engineers, expert in the valuation of public utility properties.

The real estate classified under this bureau consists of the following:

1. Real property of public utility companies and operating property of railroads other than Special Franchises.
2. Private improvements and city owned property. Improvements erected in streets by authority of the board of estimates, such as tunnels, bridges, conduits, etc., privately owned.

18. Q.What are Special Franchises?

A.Special Franchises include the tangible property of public service corporations situated in streets and public places together with the value of the privilege of maintaining and operating them there.

19. Q.How are special Franchises assessed and taxed?

A.Special Franchises are assessed by the state tax commission which certifies the results reached by it to the City Tax Commission and such results are placed upon the assessment rolls of the City of New York.

20. Q.Is real property in the City of New York assessed against the owner, or in accordance with its description on a tax map?

A.A real property in the City of New York is not assessed against the owner, it is assessed by section or ward, block and lot number in accordance with a description on a tax map.

21. Q.Is the real property of real estate of corporations described in the same manner?

A.The Bureau of Real Estate of corporations uses identification numbers for the description of all property assessed under its jurisdiction. The section or ward, block and lot number are likewise contained in the records of this bureau.

22. Q.What are the functions of the research bureau?

A.The research bureau is the research, coordinating and service division of the department. The bureau analyses all sales and assessor's monthly reports and

trends. It furnishes to the tax commission facts, figures, statistics and conclusions which would help the commission to establish standards in assessing real estate.

23. Q.What does the function of the Certiorari Bureau?

A.This Bureau was recently established for the convenience of the public and to efficiently maintain records of certiorari proceedings, and Tri-Department hearings.

It gives admission of service on all papers served on the department in connection with writs of certiorari and accepts service of the writs, petitions and orders themselves. Records are made on cards of all these writs and a full description sent to the law department when transmitting the writs to them. It keeps records showing the history of the writs and their disposition.

24. Q.What are the composition and function of the surveying bureau?

A.The surveying bureau is composed of a surveyor, assistant surveyors and draftsmen. This bureau also has a staff of bookbinders and a photostat operator.

This bureau prepares and corrects the maps of the tax department. Copies of these maps are furnished to and used by other city departments. This bureau reproduces maps in its photostat plant and binds maps and records in its own bindery.

ASSESSING

25. Q.At what amount is real estate assessed?

A.The State Tax Law provides that real property shall be assessed at its full value.

Under the City Charter, the assessors must annually assess real property at the sum for which, in their judgment, each separately assessed parcel of real estate, under ordinary circumstances, would sell if wholly unimproved, and separately stated, the sum for which, under ordinary circumstances, the same parcel would sell with the improvement, if any, thereon.

26. Q.Are the Books, Maps, and Annual Records of Assessed Valuation open to the public for inspection?

A.Yes, they are public records and may be inspected during the regular office hours.

27. Q.Are the assessors furnished valuation data by the Department?

A.Yes, all valuation data useful in making assessments and all available information used in private appraisal work is given to and utilized by the assessors. Records of sales, leases, rents, foreclosures, alterations, new buildings, demolitions, fires and properties for sale are furnished the assessors.

The assessors study the daily newspapers, real estate records and magazines furnishing real estate data, and enter on the property card all data pertinent to the assessing of the property in their particular districts. They are also furnished with copies of court decisions affecting assessing of real estate.

28. Q.Do Assessors have a right to enter real property which they are directed to assess?

A.Yes; Section 156 of the Charter provides as follows: "The President or any Commissioner, or any Assessor may enter upon real property and into buildings and structures at all reasonable times to ascertain the character of the property. Refusal by the owners or his agent to permit such entry shall be triable by a city magistrate and punishable by not more than thirty days imprisonment, or by a fine of not more than \$50 or both."

Section 156-1.0 of the Administrative Code also give the right to a person acting in behalf of the tax department to enter upon real property, provided

that a certificate in writing, signed by the President of the Tax Commission is presented by him to the owner, lessee, occupant or agent of the premises before entry.

29. Q.What does the Tax Commission do towards securing equalization and correctness of assessed valuations.

A.The Tax Commission has consultations with the Assessors from time to time with regard to their work and has instructed the Assessors particularly that they consult with each other in an endeavor to arrive at the assessed valuation which will carry as great a degree of equalization as is possible. The quarterly report of each which contains sales, and mortgage data, with a statement of comparative assessed value is reviewed by the Tax Commission.

The Research Bureau is making studies of all sales data and furnished the Tax Commission with frequent reports on trends for each district in the city and the city as a whole. A complete analysis of all assessment changes is made annually by the Bureau for each assessment district. These studies show the real estate conditions and trends of value as well as the building activity in every section of the city. The Research Bureau also furnishes assessors with all conveyances, mortgages, and lease records, and building permit applications.

30. Q.How does the department obtain coordination and standardization of its work?

A.There are four coordinating agencies which work for these objectives. The Tax Commission hold weekly conferences and committee meetings. Special conferences are held jointly by the Tax Commission, the chief assessor and the assessors in charge of Boroughs and Bureaus. The Chief Assessor is a coordinator and the research Bureau, is engaged in gathering data which it furnishes to the tax commission enabling such tax commission to set up standards of assessing practice. Resident commissioners may hold conferences with their respective borough assessors at which time particular problems affecting the borough are discussed in detail.

31. Q.Does the department have building classifications?

A.Yes, the department has adopted classifications consisting of major types and 104 subclassifications of buildings.

32. Q.What is the benefit of these classifications of buildings?

A.Primarily, the more detailed classifications are for the purpose of closer analysis of buildings. The taxpayer is enabled to make a comparison with similar properties and the assessors can more readily compare the cost, operating expenses and assessed valuations. These classifications provide this department and other government units with important business and housing statistics.

33. Q.Can a comparison of assessed valuations be made in the Tax Department?

A.Yes. The "Block and lot" system employed in New York permits comparison of assessed valuations merely by reference to the maps of the department and without the necessity of knowing the names of the owners of the property.

34. Q.What are "Block and Lot" maps?

A.The Department Maps divide the city into sections (or wards) which are subdivided into blocks and lots. These units are numbered and refer to in all official real estate records.

35. Q.What are the "Tentative Land Value Maps"?

A.These maps are prepared by the Tax Department and show the tentative unit front foot value of all land in the City. The front foot unit value represents a standard lot on the block, one foot wide, 100 feet deep, and permits the comparison of land value of all parcels in the entire city.

36. Q.Are these copies available to the public?

A. Yes, they are published annually by the City Record and there is a charge made by that office for each volume.

37. Q. Is the unit value subject to modification when the assessed value of any particular lot is derived from it.
- A. The value is modified if the lot is above grade, or if it is below grade, or if the lot is so narrow as to preclude the improvement of the property. On the other hand, there is a modification if the lot is larger than a standard lot when the lot is so situated that it requires for a proper improvement a building too large for a lot 25 x 100 feet. Where a parcel is of the irregular shape, allowance is made for irregularity. The unit values do not in any case represent the value of a corner and in assessing a lot subject to corner influence, the advantage of such location would be reflected in the final assessed valuation. Valuation for plottage is also given consideration, and added where justifiable.
38. Q. What is the standard size of a lot in New York City?
- A. A standard lot is 25 x 100 feet in Manhattan, Bronx, and Richmond and 20 x 100 feet in Queens and Brooklyn.
39. Q. What are the benefits of publication of tentative land value maps?
- A. The exhibition of the values on a map tends to correct inequalities which might otherwise be made in the determination of the value of land in a particular street. When the values are shown on a map it is apparent that they must all bear a reasonable relation to each other.
40. Q. What is an assessment roll?
- A. It is a copy of the annual record of assessed valuations made up after tentative valuations have been reviewed, corrected and made final. The rolls certified by the president must, on or before the 20th day of June in each year, be delivered by the President to the Council and shall within two weeks thereafter be published in the "City Record", which is a municipal publication.
41. Q. What is meant by the separate assessment of land, and total land with improvements?
- A. A separate assessment of land and the total of land together with improvement thereon, if any, means that the land is first valued as though unimproved and then the entire property, consisting of the land with the improvements, is valued.
42. Q. What are the benefits of this method of valuation?
- A. Equality in land value results from this system and comparison of the assessed values of all properties and equalization is made possible and feasible.
43. Q. What other steps are taken by the Tax Commission to fix assessed valuations in accordance with the law?
- A. Assessors are assigned to districts containing property which they are especially qualified by training and experience. The Tax Commission is continuously engaged in checking and comparing assessed valuations and property owners are provided with several means of informing the tax commission of any over-assessment or inequalities.
- Moreover, every sale of real estate is compared by the Commissioners with the assessed valuation and records of rent, mortgages, and leases are analysed by the commissioners and assessors in charge of borough offices. The research bureau makes detailed analysis of the sales and assessed valuations of all properties.
44. Q. Has the Tax Commission the power to increase or decrease an assessed valuation after the annual records of tentative valuations are open to the public on February 1st?
- A. Yes, Section 161 of the Charter provides as follows:
- "While the books of annual records of the assessed valuation of real estate remain open for public inspection and examination the tax commission may place on such books any real estate and also the assessed valuation of any such real estate that may have been omitted from such books on the day of the opening thereof, and that may increase or diminish the assessed valuation of any real estate as in its judgment may be just or necessary for the equalization of taxation; but no such addition to the books and no such increase in assessed

valuation shall be made, except upon mailing ten days prior written notice addressed to the owners on record of the real estate effected thereby, at their last known residence or business address. And the filing of an affidavit of such mailing in the main office of the department. When such notice is mailed after the 23rd day of February, such owners may apply for a correction of such assessment so added or so increased within twenty days after the mailing of such notice with the same force and effect as if such application were made on or before the 15th day of March in such year."

45. Q. In the event that a parcel of property is erroneously omitted from the annual record of tentative assessed valuation may this omitted property be added to the tax roll?

A. Yes, the same section which pertains to the right to increase or diminish an assessed valuation, likewise provides that omitted property may be added to the tax roll at any time between February 1st and March 15th, provided notice to the owner is given as set forth in the answer to question 44.

Property erroneously omitted from the tax roll in one year may be carried as a double assessment for the subsequent year, and taxes on such omitted property are paid at the tax rate of the previous year.

46. Q. What are the rights of property owners with regards to an application for correction where the assessed valuation has been increased or a double assessment has been made by reason of omitted property?

A. That right is not destroyed. The charter provides that when the notice pertaining to the increase in assessed valuations of real estate or the addition of omitted property to the tax roll is mailed to the property owner after the 23rd day of February, then such owner may apply for a correction of assessed valuation, so added, or so increased, within 20 days after the mailing of such notice and such application will be received by the department with the same force and effect as though it were filed on or before March 15th. Property owners to whom notices are sent prior to February 23rd have until March 15th to file such application.

47. Q. Are there any special provisions in the charter regarding the assessment of new buildings?

A. Yes. The charter provides that a building in course of construction, commenced since the preceeding January 25th and not ready for occupancy on the 25th of January following shall not be assessed unless it shall be ready for occupancy or a part thereof shall be occupied prior to the 15th day of April.

48. Q. Is this provision now in effect?

A. This provision will come into effect during the next regular assessing period which will be for the fiscal year from July 1st, 1939, to July 1st, 1940.

49. Q. How may taxpayers apply for their portion of a tax bill when they have purchased only a part of a parcel assessed as a single lot or plot?

A. The taxpayer should go to the borough office of the tax department wherein his property is located, and apply to the surveyors bureau for an apportionment. He should bring his deed showing title to the property which he wishes to apportion.

50. Q. Has "zoning" any effect on real estate values for the purpose of taxation?

A. Yes, to properly acquaint the assessors with the building zone regulations the department has building zone district maps on file for the five borough offices. These maps contain the following information:

The limit of height and bulk of buildings; the area of yards, courts and other open spaces; the restrictions concerning the locations of trade and industries; and locations of buildings designed for specific purposes in so far as they may influence values.

The above records aid the assessors when fixing their assessed valuations.

51. Q. How does the Tax Department coordinate its work with the department of housing and buildings?
- A. The department of housing and buildings has included in its various forms for applications for permits to construct new buildings or alter existent buildings information essential to the tax department. Copies of these forms, together with lists of certificates of applicancy are sent to the tax department weekly. After recording, the research bureau transmits these forms to the assessors.

ASSESSMENT PRACTICE

Annual Assessment Period

52. Q. What is the taxable status date of property in the City of New York?
- A. The taxable status date of property in the City of New York is January 25th of each year.
53. Q. When do assessors go into the field for the assessing period?
- A. The assessors are in the field from August 1st until January 25th.
54. Q. How many assessors are engaged in the assessment of real estate in New York?
- A. There are one hundred twenty-three assessors assessing ordinary real estate, thirteen assessing the real estate of corporations, two in the Certiorari bureau and nine in supervisory positions.
55. Q. When are the tentative assessed valuations available to the public?
- A. Between February 1st and March 15th.
56. Q. Is the income of a property considered in making assessments?
- A. Income is an important factor in valuing all income producing properties.
57. Q. Are the assessors furnished valuation data by the department?
- A. Yes. Each assessor is assisted in obtaining valuation data by a clerk or Junior Assessor and by the Research Bureau.
58. Q. What is the regular calender of the Tax Department?
- A. Tax Calender

Assessment Period.....July 1 to June 30
Field Period for Assessors.....August 1 to January 25
Taxable Status Date.....January 25
Tentative Assessed Valuations open for
public inspection.....February 1 to March 15
Protest Period.....February 1 to March 15
Hearing Period.....February 1 to May 25
Final Assessed Valuations Open for
Inspection.....May 25
Assessment Rolls Delivered to Council.....June 20
Tax Rate fixed by the Council.....June 25
Assessment Rolls delivered to Treasurer.....June 30
Last Day to bring Certiorari Proceedings....October 24

PROTECTING THE TAXPAYERS' INTERESTS

59. Q. During what period may property owners file applications for correction?
- A. Property owners may file applications for correction between February 1st and March 15th in each year. Personal hearings before a Commissioner will be only granted in those cases where property owners indicate on their applications that a personal hearing is desired.
60. Q. Where should these applications be filed?
- A. These applications should be filed in the borough office where the property is located, except for property indicated by an identification number, for

which class of property applications must be filed in the main office of the department. The department has its own special forms of application for correction which may be obtained upon request.

61. Q. When is the final assessed valuations open for public inspection?
A. On and after May 25th in each year.
62. Q. May property owners furnish information as to the value of their property?
A. Yes. Owners may furnish information to the Tax Department and consult the assessors with reference to their properties.
63. Q. Does the Department furnish any form for submission of information by the property owners?
A. Yes. A listing form is provided by the department for this purpose.
64. Q. Is it necessary for an applicant for correction of assessed valuation to have a personal hearing in order to obtain a reduction of tentative assessed value?
A. No. The same consideration and review are given applications whether or not the applicant appears before the Commission.
65. Q. Is it necessary for an owner to employ anyone to file an application?
A. No. The department urges owners to make applications themselves. In the great majority of cases, the property owners know more about their own properties than the persons whom they retain to represent them. As our hearings are informal, no technical presentation of a case is necessary or required.
66. Q. Upon what grounds may an application for reduction of assessment be made?
A. Protests of tentative assessments may be made on the grounds of over-valuation, inequality or illegality.

If the Commission finds that the petitioner's statements are sustained, it will reduce the assessed valuation to what it considers a fair valuation; or, on the other hand, if the Tax Commission considers the assessed value fair, it will confirm the assessment.

67. Q. Can certified copies of assessed valuations be obtained from the Tax Department?
A. Yes. A certified copy of any assessed valuation may be obtained upon payment of a fee of one dollar.

WRITS OF CERTIORARI

68. Q. Should the decision of the Tax Commission be unsatisfactory to the applicant, has he any further recourse?
A. Yes. He may bring a proceeding and secure the issuance of a writ of certiorari to review the action of the Tax Commission. This action is brought in the Supreme Court.
69. Q. What is a writ of Certiorari?
A. It is an action, commenced in the Supreme Court by a property owner or other person or corporation aggrieved at an assessed valuation, against the Tax Commission based upon a petition, to review the determination of the Tax Commission in fixing the final assessed valuation.
70. Q. When must a writ of certiorari be obtained?
A. A certiorari to review or correct on the merit any final determination of the tax commission may be had as provided by law, and must be begun before the 25th day of October following the time when the determination of the Tax Commission sought to be reviewed or corrected was made.

71. Q. Can any aggrieved party bring a writ of certiorari?
A. No. Only those who have filed applications for correction during the protest period fixed by the Charter, in the form prescribed by law.
72. Q. How is service of the writ made?
A. A copy of the petition, order and writ is left with the Tax Department and admission of service is stamped on the original writ, which must be signed and sealed by the County Clerk and exhibited to the Tax Department at the time of service. The original writ is then filed by the petitioner in the Office of the County Clerk who issued the same.
73. Q. Is there a charge by the Tax Department when service of these papers is made?
A. No. The only fees are those paid in the County Clerk's Office.
74. Q. Is it necessary to serve certified copies of any of these papers?
A. No. Ordinary copies are sufficient but the original writ, signed and sealed by the County Clerk, must be exhibited to the person served at the time of service.
75. Q. Who fixes the return date in the writ?
A. It is fixed by the Court.
76. Q. What disposition does the Tax Department make of these writs, petitions and orders after they are served?
A. The Tax Department makes a record card for each such writ and the same is filed under the Block and Lot system. These writs, petitions and orders are then transmitted to the Corporation Counsel who takes charge of all legal proceedings thereafter.
77. Q. Does the Tax Department prepare the return on these writs?
A. No. That is the function of the Corporation Counsel.
78. Q. In what way has the Tax Commission cooperated in disposing of writ cases?
A. The Tax Commission, the Corporation Counsel and the Comptroller's Office have established a Tri-Departmental Certiorari Settlement Board which is expediting the settlement of many cases.
79. Q. When and by whom was this Tri-Departmental Settlement Board established?
A. In May, 1936, at the instance of the Tax Commission.
80. Q. How may a property owner proceed to have his matter heard before the Tri-Departmental Certiorari Settlement Board?
A. He may apply to the Corporation Counsel for leave to submit the same to that Board for disposition. The Corporation Counsel furnishes him with schedules which the property owner must fill out and file with the Corporation Counsel. The information contained in these schedules is forwarded to the Tax Department for study, after which the matter is placed on a calendar for hearings.

EXEMPTIONS

81. Q. Does the Tax Commission have power to exempt property from Taxation?
A. Yes, but such power is given to the Tax Commission by the State Tax Law which provides specifically what classes of property and under what circumstances such property may be granted exemption from real estate taxes.
82. Q. What classes of property are entitled to exemption from real estate taxes?
A. The property described in Section 4 of the State Tax Law. The following is an outline of the most important of these exemptions in the City of New York:

1. Property of the United States.
2. Property of the State of New York.
3. Property of the City of New York, held for a public use.
4. Real property purchased with the proceeds of a pension, bonus or insurance granted by the United States or by the State of New York for military or naval services and owned by the person who rendered such services or by his wife or widow, or dependent father or mother. This exemption is limited to \$5,000. (Veteran's exemption).
5. Real property of a corporation or association organized exclusively for the moral or mental improvement of men and women or for religious, bible, tract, charitable, benevolent, missionary, hospital, infirmary, educational, public playground, Scientific, literary, bar association, library, patriotic, historical or cemetery purposes or for the enforcement of laws relating to children or animals and used exclusively for carrying out thereup one or more of such purposes.
6. All dwelling houses and lots of religious corporations, while actually used by the officiating clergyman thereof to the extent of two thousand dollars.
7. The real property of a minister of the gospel or priest being an actual resident of this state engaged in performing his duties as such; or permanently disabled by impaired health from the performance of such duties or who is over seventy years of age; and the property of the widow of such minister while she is a resident of this state, but the total amount of real property shall not exceed fifteen hundred dollars.

83. Q. Are there any limitations regarding the use, income, etc., affecting these classes of property.

A. Yes. The law provides that no such corporation or association shall be entitled to exemption if any officers, member or employee thereof shall receive or may be lawfully entitled to receive any pecuniary profit from the operations thereof, except reasonable compensation for services in effecting one or more of such purposes or as proper beneficiaries of its strictly charitable purposes. The law further provides that if any portion of the property is not used for one or more of its corporate purposes then that portion shall be taxed and only the portion used for its corporate purposes shall enjoy exemption.

84. Q. Are there any exceptions to the rule regarding the use of premises for other than these charitable, religious and other purposes?

A. Yes. There is a provision in the law that a lot or building owned and actually used for hospital purposes, by a free public hospital, depending for maintenance and support upon voluntary charity shall not be taxed as to a portion thereof leased or otherwise used for the purposes of income when such income is necessary for and is actually applied to the maintenance and support of such hospital. There is further provision with regard to fraternal orders, but this question is still in litigation.

85. Q. Are these properties granted exemption automatically by the Tax Commission?

A. No. In all instances, it is necessary that the property owner make application for exemption and to prove to the Tax Commission that it is entitled to exemption.

In addition to a special form of application which the Tax Commission requires, a question naire furnished by the Tax Commission is required to be filed by this class of property owner to further substantiate its right to exemption.

86. Q. What other precaution does the Tax Commission take to safeguard the right of exemption so that only those entitled to the same may secure this special privilege?

A. When an application for exemption is filed, the assessor in that district makes a personal inspection of the parcel as to ownership, use and occupancy and reports to the Tax Commission. In addition, the assessor during each field period reinspects all exempt parcels in his district to make certain that the use is one which would entitle it to exemption. When the use of the property is such that there is a question about its right to exemption, the parcel is restored to the tax roll for the next assessment period and the property owner is required to again apply for exemption and prove its right thereto.

87. Q. Are all properties owned by religious, charitable and educational institutions exempt from taxation?

A. No. Only those properties actually used for religious, charitable and educational purposes. For example: the income producing properties owned by Trinity Church Corporation are not exempt from taxation and in fact, pay an annual real estate tax to the City of over \$500,000.00. Trinity Church has only twelve parcels which it actually uses for church purposes and only these twelve are exempt from taxation.

Similarly, all Radio City property at Rockefeller Center erected on land owned by Columbia University is assessed for tax purposes.

All income producing properties of Sailor's Snug Harbor and Seamen's Church Institute likewise are assessed for tax purposes.

88. Q. What is the provision pertaining to exemption under the State Housing Law?

A. This law covers such projects as Knickerbocker Village, Stanton Homes, Amalgamated Dwelling, Hillside Housing and the like. There is a special provision in the law pertaining to this class of property which provides that upon receipt of these limited dividend corporations of a certificate from the State Housing Board showing compliance with certain rules and regulations, that the buildings would be marked exempt from taxation for twenty years. The land is not so exempt and has always been and still is on the tax roll.

89. Q. The records of the Tax Department indicate that the Chrysler Building and the land on which it stands are both exempt from taxation. What is history behind such exemption?

A. The land on which the Chrysler Building is erected is owned by Cooper Union for the Advancement of Science and Art and is leased to the W. P. Chrysler Building Corporation which erected at its own expense the office building known as the Chrysler Building. There is a provision in the lease that at its expiration which, with renewals, runs for forty-two years, all buildings and improvements on this land shall revert to Cooper Union.

Cooper Union was incorporated pursuant to Chapter 279 of the Laws of 1859 of the State of New York. Section 11 provided that all endowments made to Cooper Union should be exempt from taxation, while the same shall be appropriated to the uses, intents and purposes of Cooper Union, as provided for in its certificate of incorporation. The property on which the Chrysler Building was erected was conveyed to Cooper Union for the purpose of constituting an endowment to it for the uses, intents and purposes of Cooper Union.

90. Q. What special legislation gave exemption from local taxation of alterations and improvements to existent buildings?

A. Local Law No. 64 of 1936 provided for exemption from taxation of alterations and improvements to existent buildings, started on or after January 1, 1937 and completed by October 1, 1938, where the assessed valuations have been increased by reason of such alterations and improvements, for a period of five years from the completion of such improvements, except where the gross cubic volume is increased.

GENERAL CHANGES IN THE TAX DEPARTMENT
SINCE JANUARY 1, 1934

91. Q. What changes have been effected in the Tax Department to promote efficiency with the aim to make assessments equitable for all taxpayers?
- A. During the past six years the Tax Commission has introduced fundamental changes to coordinate the work, provide the assessors with necessary data, test the assessed valuations and modernize the office systems. The following is an outline of the improvements which will to give the City the finest assessment machinery in the country.
1. Establishment of a Real Estate of Corporations Bureau with a staff of utility valuation engineers. These men are appointed from the Civil Service list after qualifying by an examination in their special field of utility work.
 2. The installation of business machines which eliminate manual copying of records. The modernization of the clerical work not only permits assessors and their assistants to devote more of their time to actual valuation, but furnishes statistical material which heretofore was not readily available. It also makes records of the Tax Department more readable and understandable.
 3. Establishment of a Research Bureau. This coordination, standardization and research division of the Department is one of the most important developments in assessment work of this city. The bureau analyzes all assessment statistics and reports to the Tax Commission information to aid in the equalization of real estate throughout the city. Data is furnished to the Tax Commission and assessors upon which to achieve uniformity in Department practices. General research, including the development of the assessors manual is carried on to improve assessment technique and accuracy of assessing. At the present time, it is charged with supervision of the W.P.A. project, which is establishing a property card for each parcel in the City of New York. These property cards contain the detailed history of the parcel and changes as warranted will be kept up to date by the regular personnel of the department.
 4. Conferences of Commissioners and Assessors in charge of Borough offices and bureaus.
- These Conferences coordinate the work of the 133 assessors in the five boroughs. The result of the efforts at coordination and standardization is a single close working organization striving for tax justice for all property owners in all sections of the City. This replaces a situation that existed prior to 1934, of five borough offices which had developed individual practices and policies, resulting in different taxation methods.
5. Distribution among the members of the department of real estate appraisal and assessment information selected by the Tax Commission from decisions of the Courts and the best current literature.
 6. A seminar was established last spring, at which assessors of the department, expert in some particular field, delivered lectures to the personnel of the department. There were three hourly sessions each week, for a period of two months. This seminar has been continued this fall.
92. Q. What publications are issued by the Department?
- A. Tentative land value maps and Assessed valuations for each section of the City. Both of these are sold at the office of the City Record. The Department also publishes an annual report in a limited number, which is distributed gratis.

Press releases are issued from time to time, particularly when the tentative and final assessed valuations are open to the public.

TAX LIMITATION

93. Q. Does the State Constitution fix a limitation of indebtedness to cities, based upon the assessed valuation?

A. The Constitution provides that the debt limit shall not exceed 10% of the assessed value of real property subject to tax to an average of the last completed assessment roll prior to the contracting of debt, and the four preceding assessment rolls. (See State Constitution).

This section excludes from its provisions certificates of indebtedness, revenue bonds issued in anticipation of collection of taxes and self-sustaining bonds.

94. Q. Does the State Constitution limit the tax on real estate?

A. Yes, the tax rate for any one year may not be more than 2% of the average assessed valuation of real property subject to taxation. The cost of the City's long-term debt service is exempt from this limitation. (The Average assessed valuation shall be determined as provided above.)

95. Q. Is there a tax on personal property in New York City?

A. No, there is no general personal property tax. There is, however, a sales tax, 2% on retail purchases, the proceeds of which tax is utilized for relief purposes and does not go into the general fund of the city.

96. Q. Why are there differences in the rate for Boroughs?

A. The amounts added to the basic rates represent assessments for local improvements which are collectible with the real estate tax. The amount of this tax depends upon the costs of borough improvements not assessable against local properties and for this reason the final rates may be different for the five boroughs.

97. Q. What is the number of separately assessed parcels of ordinary taxable, exempt, and real estate of corporation properties?

A. Borough Number of Parcels 1940-41

Manhattan.....	73,984
Bronx.....	92,704
Brooklyn.....	291,933
Queens.....	285,699
Richmond.....	77,607
New York City.....	821,927

98. Q. Is there any other property assessed by any of the bureaus in the Department?

A. The Bureau of Real Estate of Corporation, assesses 1,736 parcels of property of the utility companies in the street which is not included in the number set out above.

99. Q. How many assessors are there in each borough, excluding the engineers in the Bureau of Real Estate of Corporations, and what is the average number of parcels for each district?

A. The Following table shows these averages by borough:

Borough	Number of Assessors	No. of Districts	Average number of parcels per district
Manhattan.....	26	26	2845
Bronx.....	18	18	5150
Brooklyn.....	35	35	8340
Queens.....	34	34	8402
Richmond.....	10	10	7760
Total.....	123	123	Average for City 6682

In addition there is a chief assessor, five assessors in charge of the borough office, three in the Certiorari Bureau, and one in the Research Bureau, whose functions are coordinated with the assessing of ordinary real estate.

100. Q.How many assessor-engineers are there in the Bureau of Real Estate of Corporations and Special Franchises?

A.There are fourteen, divided into the category of their special knowledge as follows:

One Assessor in Charge of the Bureau
One Assistant Assessor (engineer)
Two assessors (Railroad-Valuation)
Three assessors (Utility Building-Valuation)
One Assessor (Power Plant Substation-Valuation)
One Assessor (Gas Plant-Valuation)
One Assessor (Telephone Engineer-Valuation)
One Assessor (General Utility Engineer-Valuation)
Two Assessors (Junior Engineer-Valuation)

101. Q.How many parcels of property do these engineers assess?

A.5,670.

PAYMENT OF REAL ESTATE TAXES

102. Q.Does the Tax Department receive or collect real estate taxes?

A. No. Taxes are paid to the Bureau of City Collections of the Department of Finance.

103. Q.Where are real estate taxes payable?

A.At the office of the Bureau of City Collections of the Department of Finance in which the property is located.

104. Q.When are real estate taxes due and payable?

A.The second half of the Real Estate Tax for the year 1938 is due and payable on October 1st and may be paid any time during October.

The Tax for the first six months of the year 1939 will be due and payable in a single payment on April 1st, 1939, and may be paid at any time during April.

For the fiscal tax year commencing July 1st, 1939 and for each fiscal year thereafter, the first half of the real estate tax will be due and payable on October 1st and may be paid at any time during that month.

The second half of the real estate tax will be due on April 1st, and may be paid at any time during April.
