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Assessor: Claims of Tax Increases if Commercial Rate Bill Passes-- Are Untrue

Thursday, June 04

by [jfbaily](#)

WPCNR CITY HALL CIRCUIT. By John F. Bailey. June 4, 2009: White Plains City Assessor, Lloyd Tasch, told WPCNR today Westchester County Association statements that a separate commercial assessment rate on county businesses, condominiums, co-ops and apartments would raise the owners' property taxes are "absolutely untrue."

Tasch was blunt, saying the Assemblyman Adam Bradley, State Senator Suzi Oppenheimer bill would "absolutely not raise taxes."

Tasch characterized the WCA full-court press against the Bradley-Oppenheimer bill as an effort to preserve the lucrative practice of certiorari law, a steady source of income for law firms specializing in the tax refund claims that have shrunk city and town tax assessment rolls across the county, shifting the burden unfairly onto the homeowner.

The 2009-10 just-approved city budget documents show that in White Plains alone, the Assessed Value of the city thanks for the most-part to city-approved settlements with commercial property owners filing certioraris has declined from \$323.7 Million to \$285.2 Million today. In the same ten years, property owners have seen their Full Market Value increase from \$4 Billion to \$10.5 Billion. This has had the effect of sharply increasing city and school taxes, shifting the burden to home owners. Commercial owners through the device of certiorari suits have lowered their taxes while residential owners have had to make up the difference.

Tasch said that the separate commercial assessment ratio that would be established by the Bradley-Oppenheimer bill would have no affect on commercial property owners' property taxes because commercial property owners property taxes on their property are "income-based" not market value based.

Should the commercial assessment ratio be enacted by the New York State and signed by the Governor, Tasch said, "I cannot raise assessments of commercial property unless improvements have been made."

Tasch chided the Westchester County Association news releases for conveying the impression that co-operative and condominium owners would have their property taxes increased.

He said co-operatives and condominiums are not covered in the bill. He said co-ops and condominiums property tax rates are 50% less than residential homeowner rates. This is due to a special law passed by the state legislature in 1984 when condominiums were being touted by developers.

Tasch said only separate legislation could change the rate condominiums and co-ops are taxed.

All the Bradley-Oppenheimer Senate Bill (S-1706—A) does is establish a county commercial assessment ratio for major type B property, including apartments, industrial property, recreation and entertainment property, taxable community services property.”

The intent of the Bradley bill is to stop the fluctuation in the equalization rate that creates the incentive to file certioraris on behalf of commercial properties, because rising home values (now included in the Commercial Property Market value) over the last decade lower the equalization rate. The lower the equalization rate gets, the lower property taxes are owed by the commercial property owner, who files for a certiorari saying, "I'm over-assessed during those years, and lower my assessment."

A separate commercial assessment ratio would prevent inflated residential home values (under current law included in computing commercial property value), from inflating commercial assessments artificially, which has created a bonanza for the practitioners of certiorari law, the last decade.

Recently, WPCNR learned that the city of White Plains does not execute forensic accounting analyses of commercial property owners finances when those owners apply for certioraris based on their profit and losses in operating their property -- upon which, Tasch says, their assessment is based. The city depends on the financial picture submitted by the commercial property owners in arriving at a settlement. It is not court-ordered. (There is of course, the implied course of taking the city to court.)

The city has for years told the public the avalanche of certiorari settlements were “court-ordered,” and based on over assessment in years past. However, WPCNR was informed by the city assessor last week, that the city settles the certioraris privately through the City-controlled Board of Assessment Review and does not have to pay interest on the refunds due the commercial owners. Naturally, the city delays payment as soon as possible, the Assessor explained, resulting in the property owners going to court and demanding the court order the city to pay up the refunds. That is what the city has meant when through the years they have explained the certioraris were “court-ordered settlements.”