

Queens residents need fairer property tax system

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In a matter of days, expect the City Council to pass a new city budget for fiscal year 2005, which begins July 1. If things go true to form, our council members will tout restorations of mayoral cuts to programs for seniors (including Meals on Wheels) and youth (including summer jobs), cultural organizations and museums, our libraries and parks. Also expect new schools, classroom computers, playgrounds and roads and sewers to be included in the items for which council members will push to be included in the budget.



Corey Bearak

Less clear is the fate of the mayor's property tax rebate for homeowners against the 2 percent across-the-board property tax cut favored by Council Speaker Gifford Miller (D-Manhattan) and my own council representative, Finance Chairman David Weprin (D-Hollis). Readers know my preference: Roll back the 18.5 percent hike and implement reforms, which should include a full absentee tax that raises at least a few billion or more.

The mayor's plans to implement his rebate scheme rely on the same criteria for the absentee tax that he got the Council to delay. This reliance at best suggests cynicism, and worse, it implies a blatant misunderstanding of a real opportunity to introduce equity and reform in a system that taxes too many folks unfairly and inequitably.

To identify homeowners who live in their homes and thus qualify for his rebates, the mayor advocates using the universe of homeowners who qualify for and receive the School Tax Relief exemption, known as STAR. Through most of the past year and into the middle of the current budget process, City Hall and his finance commissioner opposed the Council's very modest 25 percent absentee-owner surcharge to distinguish between those who live in their homes and co-ops and those who own.

Mayor Mike and his commissioner, Martha Stark, initially questioned a reliance on STAR to determine those homeowners who ought not to face a surcharge. But now, when pressed for details on his rebate, the mayor chooses to rely on the indicator his administration objected to when the surcharge was at play.

The posturing on both wings of City Hall suggests this issue may go down to the wire. Look for the mayor to try to use the Council's restoration wish list as the bargaining chip to get his tax plan instead of the Miller-Weprin across-the-board rollback.

The mayor's plan costs \$250 million and the Council plan, \$300 million. Another possibility could be a 1 percent rate rollback and a \$200 rebate, which gives both sides something. If we could only channel the energy expressed by both sides in reducing real property taxes to longer-term reform?

A key component to reform is accurate assessments of real property. As winter ended, I surveyed some eastern Queens properties that look like homes but upon closer inspection serve as offices for doctors and others who do not appear to occupy the houses as their homes.

This gross form of absentee ownership — a commercial use of a home — takes away housing and also contributes to economic instability when nearby shopping strips remain underused or get rented to smaller, less stable flea-market-like concerns.

My physical survey involved recording the addresses and any information that indicated non-residential use, including signage outside the building. I found more than the typical doctor's office in these pseudo-homes that some still argue provide a service by placing a medical provider in the middle of a residential community. I found a health and fitness center, a surgery center, full-suite medical buildings, alternative health centers, a tax office, a builder, law offices and a title company.

In Floral Park, where homes run \$400,000, one home used as an office was actually classified in Class 4, the proper category for an office or commercial use.

According to Finance Department records, the market value for the property is 30 percent of the value of the property as a private home, or \$120,000. The assessed value based on the 45 percent of market value standard for Class 4 is \$45,340. The tax is paid on a rate of 11.58 percent — all of \$5,250. By the way, the billing address is in Texas.

Consider the adjoining health clubs operating in private homes in Class 1, which covers one-, two- and three-family homes. The same realtor owns both houses with billing addresses in South Carolina and Michigan. The Finance Department estimates a combined \$1 million market value. One property actually has the STAR reducing its assessment.

The combined assessed values, \$60,000, at 6 percent of market value, falls below the 8 percent Class 1 homes standard; they paid \$8,400 in taxes. The 45 percent Class 4 standard that should apply would mean assessment at \$450,000 and \$52,000 in taxes.

City Hall continues to cut tax appraisers and assessors who can perform physical inspections. Investing some dollars here should generate some cash and fund a fairer property tax system.

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