

CHALLENGING REAL ESTATE ASSESSMENTS IN NEW YORK CITY

With property assessments due out shortly, this article looks at how New York City evaluates properties and how owners can challenge those values.

by William K. Block

Real property taxes are one of the most significant items of expense in operating a parcel of real estate. This is particularly true in New York City, the fourth largest taxing jurisdiction in the United States.

The city's 1989-1990 operating budget is \$26,627,216,450; to balance this budget, the city council imposed a real estate tax levy of \$6,872,448,980 to achieve the required real estate tax yield of \$6.593 billion. Hence, almost 25 percent of the budget is raised from the real property tax. In light of this tax burden, it is important for property owners to have at least a cursory understanding of the system of assessment and taxation in New York City. Such an understanding will, of course, better enable an owner to properly challenge the property assessments received.

The following is intended as an introduction to this area and does not purport to be a com-

prehensive summary of all of the relevant provisions contained in the Real Property Tax Law, New York City Charter, Administrative Code of the City of New York, and the Rules of Practice and Procedure Before the New York City Tax Commission that affect the review of tentative assessed valuations in New York City.

Assessment of Real Property in New York City

Section 1504 of the New York City Charter, requires the Commissioner of Finance to assess all real estate in the city of New York for tax purposes. The commissioner may hire as many assessors as are required to perform this task.

The city of New York has been divided into 166 districts by the Department of Finance's Real Property Assessment Bureau, and a city assessor is assigned to each district. Between July 1 and January 15, the assessors inspect each parcel of real estate within their respective districts and

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