CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON GOVERNMENTAL OPERATIONS, STATE & FEDERAL LEGISLATION

Jointly with

COMMITTEE ON FINANCE

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HELD AT: Council Chamber - City Hall

B E F O R E: Gale A. Brewer
Chairperson

Linda Lee
Chairperson

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DC37

Jason Haber
American Real Estate Association

Mary Ann Rothman
Executive Director of Council of New York Co-ops and Condos

Thor Thors

Rebecca Poole
Council of New York Cooperatives and Condos

Charles Diamond

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A P P E A R A N C E S (CONTINUED)

Susan Peters
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Ryan Foley

Shannon Ritchey

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A P P E A R A N C E S (CONTINUED)

Alison Klemp

Christopher Leon Johnson

Valerie Mason

SERGEANT AT ARMS: Good afternoon, good afternoon. Welcome to the New York City Council hearing on the Committee on Governmental Operations, State and Federal Legislation, joint with Finance. At this time, please silence all electronics and do not approach the dais. If you are planning on testifying, please ensure you fill out a testimony slip with the sergeants at the back. You may do so online at testimony@council.nyc.gov. That is testimony@council.nyc.gov. Thank you for your cooperation. Chairs, you may begin.

CHAIRPERSON BREWER: Thank you very much. I am Gale Brewer, the Chair of the Committee on Governmental Operations, State and Local– State and Federal Legislation. I want to thank all the members of the public who have joined us today, as well as colleagues, the indomitable, fabulous Chair of Finance, Linda Lee, Council Member J. Sanchez, Hanks, Wong, Narcisse, Carr, Morano. I think on Zoom we have Paladino. Today it's a very strange sort of hearing, but we'll be— we will conduct oversight of the rollout of the pied-à-terre tax. The most recent state budget included a surcharge on property that

does not serve as a primary residence, but is more commonly referred to as a pied-à-terre. There has been a lot of confusion around the city's rollout of the pied-à-terre tax. First, the Department of Finance published on its website a list of around 900,000 residents that it said could potentially be subject to the tax. Even though the Comptroller estimated in June that less than 14,000 properties would be subject to the tax. No estimate of the number of pied-à-terre in the city comes even close to 900,000. Yet the city still published a list with the small caveat that the properties on the list may be subject to the charge. The list published by the Department of Finance was so overbroad that it even included my name, and I don't mind my name and my home address, but I've been in that damn home for 365 days a year since 1994. I don't leave the city and I don't have a second home. We want to know today how all of those names ended up on the list and why the Department of Finance published a list of property owners when admittedly they knew that the vast majority of the properties on the list were not in fact used as a pied-à-terre. Finance ultimately only

sent notifications to around 17,000 property owners notifying them that they would be subject to the tax. That number is still larger than most estimates. My office and other council members, we have received calls from constituents who received these letters even though the property listed is their primary residence and has been for many years. Homeowners who believe that they received the letters in error initially had only a short window to contest the surcharge. Although the deadline was ultimately extended by four weeks, this still puts a burden on property owners, which upset people tremendously. They have to prove, not the city, that the property in question is their primary residence, rather than, as I said, the onus being on the city to ensure that only properties being used as their pied-à-terre are subject to the tax. The city already has plenty of records showing which taxpayers are city residents. For example, the co-op and condo abatement already requires that property owners submit documentation showing that the units are owner-occupied, so DOF should already know that these units are not pied-à-terres. DOF should have used the information

they already had before publishing people's names and addresses and requiring them to affirmatively prove again that they reside in the city. Not only does this create a burden for taxpaying New Yorkers, but now Finance needs to spend time and resources processing every application for an abatement and collecting and verifying documentation that it already has collected and verifying, in my opinion, wasting public resources. So far, nearly 42,000 property owners have applied for or are in the process of applying for an exemption to tax because either they are using the property as their primary residence or because they are eligible for some other exemption. Both the Mayor and Finance Commissioner Richard Lee, for whom we have great respect, have already acknowledged that the records that they were using to identify properties subject to the tax were outdated, and that they knew when they posted the initial list that included a large number of properties that would not be subject to the tax. I think we all want to know why the city published a list that it knew was not accurate. Like many of my constituents, I have a lot of questions about this

tax that we are hoping to get answers to. I do want to thank the council staff members who made this possible, from Government Operations Committee, Johari Frazier [sp?], Erica Cohen, and Saiyemul Hamid [sp?], and from the Finance Committee, Brian Sarfo and Owen Kotowski [sp?], and Cynthia Hornig [sp?] from my office, and everybody else. I do want to also say I do thank the Department of Finance because they have been helpful for those constituents who need help. I don't want people to think that has not happened, because it has. Now I'm going to turn to the wonderful Chair Lee.

CHAIRPERSON LEE: Great. Thank you so much, Chair Brewer. And good afternoon, everyone. Welcome again to today's oversight hearing on the implementation and rollout of the city's pied-à-terre tax, also known as the non-primary residence property surcharge. The pied-à-terre tax was enacted as part of the state's fiscal year 2026-27 budget and took effect on July 1st, 2026. The surcharge applies to one to three-family homes valued at $5 million or more, as well as condominium and cooperative units valued at $1 million or more that do not serve as the

owner's primary residence. Properties that serve as the primary residence of the owner, an immediate family member, or a qualifying tenant are not subject to the surcharge. Since implementation began, Department of Finance has mailed notices to approximately 17,000 property owners identified as potentially subject to the surcharge and has published a supplemental rule listing more than 900,000 properties that may fall within the tax. Given the scale of this rollout and the number of New Yorkers who have been affected, it is crucial that this council conduct oversight of how the administration is planning on implementing this new tax. Following litigation initiated by a group of city homeowners, the administration extended the deadline for property owners to file exemptions from late August to September 18th. Still, even with the extension, we seek greater guidance for those impacted to ensure that this rollout is smooth. Given this ongoing litigation, I want to note again for the record that the administration will not be participating in today's hearing, and we understand the sensitivity of testifying while this matter is

before the courts, and we look forward to continued engagement with the administration once the litigation is resolved and to providing answers to city homeowners directly impacted by the rollout of the tax. In the meantime, today's hearing will afford us an opportunity to hear from advocates, affected property owners, and other stakeholders about the impact of this rollout to date and how to ensure that the Department of Finance's implementation of this surcharge is fair, transparent, and legally sound going forward. We intend to send the administration written questions for follow-up in response to testimony shared by the public and questions prepared by myself and my colleagues. And I want to thank all the staff who helped make this hearing possible, especially the Council's Committee on Finance and Committee on Governmental Operations in preparing today's hearing. And now I turn it back over to Chair Brewer.

CHAIRPERSON BREWER: Thank you very much, Chair Lee. And what will happen now is I'm going to read the testimony from the Finance Department. They're not here. Then we'll hear from the

constituents, as you heard. And then Chair Lee and I will read the questions that we would have asked, but we will be sending for answers to every single one of them. Oh, I'm sorry. Council Member Dinowitz is here. Thank you. And on Zoom, Council Member Feliz and Maloney. Dear Gale Brewer, Chair Linda Lee, and members of the City Council, my name is Richard Lee and I am the Commissioner of New York City Department of Finance. Thank you for the opportunity to submit testimony regarding the implementation of the surcharge on non-primary resident properties commonly referred to as pied-à-terre. I understand the Council's interest in holding this hearing to discuss the implementation of this surcharge. The public understandably has a range of questions about this surcharge and the manner in which it has been implemented. I have been engaged with members of your team and directly with many of you— he has, absolutely— to ensure that New Yorkers have the information that they need. I would have welcomed the opportunity to appear in person and field your questions directly, but the pending and active litigation precludes me from doing so. The

administration requested that the City Council postpone the hearing to the near future, but the Council declined. In the meantime, I appreciate the opportunity to address some of those questions in my written testimony. First, let me walk through the steps that led to implementation of the surcharge, from the passage of the state legislation authorizing the surcharge through the rulemaking process to the posting of a supplemental rule and transmission of initial determination letters. On May 28th, 2026, as part of state's 26-27 budget legislation, the state enacted Part HH of Chapter 59 of 2026, which authorized this surcharge on certain high-value New York City residential properties that are not used as a primary residence. The law was enacted with support from the Mayor and his administration to help close a significant budget gap. The statutory provisions relating to this surcharge can be found in Article 30-C of the New York State Tax Law and Chapter 32 of Title 11 of the city's Admin Code. As with all revenue collected by the Department of Finance, these funds keep— help the city running. The revenue DOF collects supports essential services that New Yorkers

rely on every day, from educating our children in public schools and maintaining our parks to ensuring our streets are clean and our trash is collected. The Department of Finance took steps to ensure the surcharge would be implemented through a transparent, consistent, and fair process that is legally compliant. On June 9th, 2026, the Department of Finance published proposed rules outlining how the new surcharge would be administered and applied. As part of the rulemaking process, property owners and other members of the public had an opportunity to submit written feedback, provide testimony, and raise questions or concerns at a public hearing held on July 9th, 2026. The Department of Finance reviewed the feedback that it received through the notice and comment process, made appropriate adjustments to the rule text, and promulgated the final rules necessary to implement the surcharge. These rules were thereafter adopted on July 14th, 2026, and took effect immediately. After adopting these rules, the Department of Finance moved forward with implementing the surcharge and, as required by law, published a supplemental roll on its website. Each year, the city

publishes real property market values and assessed values for all taxable property through its annual assessment roll. The purpose of the assessment roll is to provide the public with notice about every property subject to real property taxation throughout the five boroughs, the assessed and market values associated with such property, and certain information necessary to identify the property and its ownership. Both the real property tax law and the City Charter require the city to publish an assessment roll of taxable property in this manner, and assessment rolls have been required to be published annually for well over a century. In accordance with the city charter, Finance publishes the tentative assessment roll for the upcoming fiscal year every January— January 15th, to be exact. Upon publication of this tentative assessment roll, property owners may challenge certain assessment-related matters, including by making a filing with the city's independent Tax Commission. On the date that the Tax Commission is required to render final determinations on these challenges, May 25th of each year, Finance releases its final

assessment roll. The city's assessment roll is highly accessible to the public, and it has been for many years. Any suggestion to the contrary is incorrect. For example, this property data has been publicly available as a fully searchable database on both the Finance website and New York City Open Data. Finance's online archives include assessment roll data dating back to fiscal year 2009. Many data elements included on the roll relating to property ownership are culled from land records and have also been available through the Department of Finance's Automated City Register Information System, known to all of us as ACRES. The city has published assessment rolls and made them available for public examination in various forms for over 100 years. Before internet accessibility, the city's assessment rolls and land records were made available for review in person at government offices. Section 11-3205 of the Admin Code, part of the statutory framework governing the surcharge, requires the city to administer and enforce the surcharge, "to the greatest extent practicable in the same manner used to administer and enforce real property taxes," and requires the

publication of corresponding property valuation information on a roll. The law authorizing the surcharge was adopted after the assessment roll for fiscal year 26-27 had already been published. As a result, the law governing the surcharge required the city to release a supplemental mid-cycle roll for the 26-27 tax year in order for the surcharge to be administered. Stated differently, for the 26-27 fiscal year only, Finance published a new assessment roll mid-year, the July 2026 supplemental roll. This largely involved republishing data from the May 26th final assessment roll. Finance published the required supplemental roll on July 24th, 2026. This supplemental roll includes relevant property valuation information and certain descriptive information regarding all property that meets the surcharge statute definition of, “covered property.” The universe of the properties considered covered property for purposes of the law is much broader than the properties that were sent initial determination letters as explained below, or that will eventually be subject to the surcharge. In light of this, It is important to emphasize what the supplemental roll

does not do. The supplemental roll does not establish which properties are subject to the surcharge. It generally includes certain information to identify such properties and their ownership. Like the assessment roll, publication of the supplemental roll provides a basis for property owners to challenge the value of their properties. The law also requires Finance to send initial determination letters to property owners whose properties may be subject to the surcharge and whose primary residency could not be confirmed based on the information available to the agency as described in Finance rules. Only a very small subset of the population of properties that were listed in the supplemental roll received an initial determination letter, about 17,000 homes out of approximate total of 960,000 listed homes. The surcharge only applies to those Class 1 properties, which typically include one to three family homes with market values greater than or equal to $5 million, and cooperative and condominium dwelling units with market values greater than or equal to $1 million. Some properties that would have otherwise received an initial determination letter did not

ultimately receive one because Finance already possessed data that sufficiently demonstrated that the property was used as a primary residence and was therefore not subject to the surcharge. For example, homeowners who affirmatively established primary residency with Finance already for the '26-'27 fiscal year, such as homeowners who received the Senior Citizens Homeowners Exemption, known as SHE, or the Disabled Homeowners Exemption, known as DHE, and therefore have provided proof of residency as well as proof of income for eligibility did not receive this initial determination letter. One of the most important aspects of this procedure is that this initial determination is not a tax bill. These notices simply inform property owners that, based on the information currently available to Finance, their property may be subject to the new surcharge. This is an initial determination, not a final one. Property owners who believe their property should not be subject to the surcharge have an opportunity to submit proof the property is used as a primary residence. This process allows property owners to provide information that is readily available to the

owners but may not be reflected in Finance's records. Through this process, property owners can provide Department of Finance with the information Finance needs to make accurate determination regarding surcharge eligibility before the surcharge is applied. For example, a primary homeowner can submit their driver's license as proof of primary resident. Property owners can alternatively challenge Finance's initial determination directly with the Tax Commission if they are also challenging their market value. For 2026-2027 tax year, they have until March 2027 to do so. In implementing the surcharge, we have focused on providing transparency about which properties may be affected and ensuring homeowners have a straight way to resolve their status. We recognize that homeowners need clear information and meaningful support as they navigate the process. That is why the Department of Finance has prioritized direct assistance and outreach. Finance has been engaging homeowners and plans to further conduct proactive outreach at senior centers, community meetings, and other public forums. Provide information through our dedicated website,

nyc.gov/npsurcharge, and 311, and continue to work with co-op and condominium boards, property managers, and building representatives to share information with residents. Where contact information for a property owner is available, we are also reaching out directly to homeowners who receive notices to answer questions and provide guidance on the initial determination appeals process. In addition, we are partnering with elected officials, community leaders, and constituent services staff to distribute accurate information and connect homeowners with available resources. We have also announced an extension through September 18th, 2026 for homeowners to submit appeals of initial determinations. We believe these efforts reflect the administration's commitment to ensure that every potentially affected homeowner understands the process, knows where to turn for support, and has a fair opportunity to challenge a finance initial determination. I understand there are concerns regarding this surcharge. I also understand that there are individuals who received an initial determination letter who may not ultimately owe the surcharge. That is exactly why the Finance Department

has expanded its customer service and extended the deadline for property owners to challenge initial determinations. Finance is working directly with building managers, elected officials, and homeowners to answer questions and make the process as straightforward as possible. Whenever government implements a new law affecting thousands of property owners, questions inevitably arise. Government should communicate clearly and effectively about new policies, and Finance is committed to doing that, not just with respect to this law, but across all aspects of Finance's work. The Department of Finance is committed to ensuring that this surcharge is only applied to those properties that are subject to the surcharge under the law. Finance is focused on making sure every homeowner has the information they need to understand the key contours of the law and determine whether they are subject to the surcharge. Finance's role is to administer and implement the law. As implementation moves forward, Finance has continued to engage with elected officials, respond to constituent concerns, and provide updates and guidance to help New Yorkers navigate the process. We

welcome continued feedback from the City Council and all stakeholders as we work to administer this new law with fairness, consistency, and clarity. I am prepared and welcome the opportunity to testify after August 31st. That concludes from the Commissioner. And I want to say that we also have Council Member Marte here. And- anyway, so we are now going to hear public testimony. I remind members of the public this is a governmental proceeding. Decorum shall be observed at all times. Members of the public shall remain silent at all times. The witness table is reserved for people who wish to testify. No video recording or photography is allowed from the witness table. Members of the public may not present audio or video recordings as testimony, but may submit transcripts of such recordings to the Sergeant-at-Arms for inclusion in the hearing record. I think those of you know this, but if you wish to speak, please fill out an appearance card with the Sergeant-at-Arms and wait to be recognized. When recognized, you will have three minutes to speak. On today's hearing, although we may ask you questions for follow-up. And if you have a written statement or

additional written testimony you wish to submit for the record, please provide a copy of that to the Sergeant-at-Arms. You may also email written testimony to testimony@council.nyc.gov within 72 hours of the close of this hearing. Audio and video recordings will not be accepted. And for the in-person panelists, we'll start with you. Please come up to the table once your name has been called. And now I will— we will call the names. We're going to start with Kyle Bragg, first panel, Mary Ann Rothman, Jason Haber, Rebecca Poole, and Thor Thors.

KYLE BRAGG: Okay, got it. Okay, good afternoon, esteemed Council Members and fellow New Yorkers. My name is Kyle Bragg. I want to be clear that any legislation that's proposed to hold the wealthy accountable to their fair share is a good thing. My challenge is the rollout and how unclear it leaves so many questions in the minds of so many hardworking New Yorkers. By way of example, I had a friend call me just recently asking me to explain whether or not he believes he might be subject to the pied-à-terre. He's worked over 50 years in this city, he and his wife, bought a brownstone 40 years ago at

near $40,000— I mean, $400,000. Now he believes it's worth over $5 million. He's retired to the South to seek warmer weather and to stretch his retirement dollars out, and he's concerned now because he kept his brownstone here so that he can keep in touch with his kids and his grandkids whether or not he'd be subject to the pied-à-terre. It's the unknown factor and unknown intent or consequences to the pied-à-terre that is troubling to everyone. It's not only billionaires that are concerned, it's everyday hardworking New Yorkers who've dedicated themselves to making this city work that are very concerned about what impact it might have. And my challenge is, as well as all the people I've spoken to, is what does it mean to them? Is there any unknown consequences or impact to hardworking New Yorkers who this was not intended to affect. So thank you for your time, and thank you for allowing me to speak.

CHAIRPERSON BREWER: Go ahead, next, whoever. Jason, go ahead.

JASON HABER: Thank you. Good afternoon. My name is Jason Haber, the co-founder of the American Real Estate Association and the President of

NYRAC, a leading real estate voice here in the city. I've also been a licensed real estate broker for 20 years. First, a thank you to the Council. You know, when the state legislature first proposed this tax in the first place, there was no hearing on the tax. And so today is actually citizens' first opportunity to speak to a legislative body about the tax, and in today's case, in its execution. So thank you for that, Madam Chair. Let's begin with the obvious. Let's begin with the docs. The city published 959,710 names and addresses on a downloadable spreadsheet. With two clicks, a person could download an entire list larger than the population of San Francisco. Imagine the gift that this is to fraudsters, to scammers, to anyone with ill will. Now, what does the administration have to say about the release of this information? Well, we heard from the letter that they're not able to comment today. Yet in 2016, during pending litigation, in 2017, during pending litigation, they appeared before this council, yet not today. They will tell you, though, that this information was already public. But there is a difference between public and published. Any one of

these records could be pulled from ACRIS, but to pull 959,710 records would take a single person working eight hours a day, five days a week, 15 years, or roughly 498 Scaramuccis, depending on how you mark time. Now, the courts have a name for this. They call it practical obscurity. The Supreme Court principle that information no one can feasibly assemble is functionally private. That obscurity was willfully erased by the city. The Department of Finance did 15 years of labor for anyone who wished these New Yorkers harm. They handed it out, sorted it, and searchable for free. And what did this list have to do with the tax in the first place? According to officials, the pool of taxed homes is around 13,000. So how did that swell 74 times? And why is the burden on the individual instead of on the enormity of government? Why is it guilty until proven resident? Council Member Brewer herself was on the list, as she said, although to be fair, Council Member Brewer is at 10 events a night and sometimes in two places at once. So perhaps for her it is a pied-à-terre since she's never there and always out in the community. Look, I'm not here to litigate the tax itself. That

debate is not with this body, but I'm here to talk about the execution and when that execution fails its citizens. Was this a dox by accident, by incompetence or hubris? Keep asking questions. The citizens of New York deserve better, and they deserve to know why this happened. Thank you.

CHAIRPERSON BREWER: Thank you. Next?

[applause]

CHAIRPERSON BREWER: Quiet, quiet, quiet, quiet, quiet, quiet. Can't— go ahead, next.

MARY ANN ROTHMAN: Good afternoon, Chair Lee and Chair Brewer, and thank you for holding this important hearing. My name is Mary Ann Rothman, and I'm the Executive Director of the Council of New York Cooperatives and Condominiums, a not-for-profit membership organization that's been providing information, education, and advocacy to and for housing cooperatives and condominiums since 1975. The state legislation that created the piét-à-terre tax surcharge made cooperatives responsible for collecting and remitting to the Department of Finance the surcharge due from shareholders. This is a huge departure from past practices where DOF has provided

documentation to enable cooperatives to distribute credit to shareholders who qualify for exemptions from and abatements. Never before have cooperatives had to collect funds and remit them to DOF. Any cooperative unable to collect from a shareholder in time for January— the January 1st, 2027 payment will need to invade reserves or assess shareholders or borrow funds to keep the building's property taxes current. The smaller the building, the larger the portion of the non-resident owner's piét-à-terre tax that each resident shareholder will have to find a way to pay. Where is the justice in jeopardizing the financial stability of a cooperative in this way? Instead, the Department of Finance should collect the piét-à-terre tax directly from each affected nonresident shareholder. DOF is already in communication with them by letter, and there's the precedent— parking tickets, et cetera— for the department to collect payment directly from individuals. Our organization is seeking Senate and Assembly sponsors for legislation to amend the piét-à-terre to have the surcharge remitted directly to the Department of Finance. We hope that the City

Council will support this practical and reasonable goal. Thank you.

THOR THORS: Oh, you pushed that. Okay. Hi, my name is Thor Thors. I'm a lifelong New Yorker. Thank you for holding this hearing. I'm not speaking on behalf of any organization, simply myself. I am a co-op owner here in New York, and I just want to share what the rollout of this tax meant to me personally. If any of you live in co-ops, you know that when you get assessments, as this woman said, we— it can be very disruptive to your economic situation. And that goes for all different types of co-op owners. Most of the co-ops in my building do not fall in the range of over $1 million as judged by the Finance Department. However, there is one that does. It's a penthouse. It's three combined apartments. So I believe as a result of that one penthouse being— our whole building was on the list. And I was able to personally download and see the alleged value of everybody's apartment. And, you know, what it really feels to me like is it's the administration or the powers that be saying, we see you, you know, we understand, we see the value of the

apartment, we're willing to expose you, we're willing to tell everyone how much your apartment is worth. And I believe it's a direct result of the policies of this administration. I think they've said as much. I'm not really asking questions. That's what I believe that it comes from. Socialist policies from a socialist administration that is manifested in the rollout of this very unfortunate doxxing. Thank you.

CHAIRPERSON BREWER: Thank you very much. Next?

REBECCA POOLE: Good afternoon, members of the Committees on Finance and Governmental Operations. Thank you for the opportunity to testify. My name is Rebecca Poole, and I'm the Director of Membership and Communication for the Council of New York Cooperatives and Condominiums. CNYC's membership includes over 100,000 co-op and condo homeowners across all generations living in member buildings ranging in size from two apartments to well over 6,000 units in 47 of the 51 council districts. As outlined in CNYC's recently released report on co-op and condo affordability issues, co-op and condo homeowners are struggling with escalating housing

costs and well understand the city's need to close the budget gap without further increasing expenses for the majority of New York City's homeowners and residents. Therefore, CNYC does not oppose a surcharge on luxury second homes that have sold for more than $5 million. CNYC appreciates the difficulty in implementing this type of surcharge and believes that several changes to the state legislation would help resolve the strain that the surcharge will place on New York City homeowners, particularly in co-ops and condos. We have attached our comments on the state legislation and rules, but I will highlight three key issues that concern us. Co-ops and condos, as Mary Ann mentioned, are not set up to collect these substantial sums, such as the PAT surcharge, from individual shareholders, and the requirement that the co-op take on this responsibility could be devastating, particularly to a small co-op where the PAT charge may be larger than the entire co-op's real estate taxes for the year in a four or five unit co-op. The $1 million imputed market value of the co-op or condo as used in the legislation does not equate to $5 million sales price or market value,

particularly in Class 2C co-ops and condos. Our analysis of Class 2C condominiums that sold between 2021 and 2026 show that 68 percent of these apartments with an imputed market value of $1 million actually sold for less than $5 million in the past five years. There are issues with the definition and proof of primary residency, who qualifies as family members, and what happens upon the sale and/or alteration of an apartment or the death of the existing shareholder. CNYC's recommendations regarding these issues are clearly laid out in our comments on the rules and state legislation, which you'll be provided with. Lastly, I'd like to add that our concern over the retroactive nature of this surcharge— what it did was remove options from some longtime homeowners who have resided in New York City for over 40 years and purchased their home in the 1970s and now found out that because they were not primary residents on January 5th, 2026, already passed, they owe $80,000. We welcome the opportunity to work with the Council, the Mamdani administration, and state legislature in ensuring there's a solution that works for all parties. Thank you.

CHAIRPERSON BREWER: Thank you. I want to say that Council Member Ariola is on Zoom and Brooks-Powers is here with us. People may have questions for this panel. Yes, go ahead, Council Member Narcisse.

COUNCIL MEMBER NARCISSE: Thank you for being here. Kyle, I mean, Kyle, I don't know, what are you doing? You're getting younger and younger after the fight on the streets. So thank you for being here. One of my questions about the mailing of this big list. So now you're telling folks that where people are located, how much money they have, approximately, because Gale said she doesn't have that kind of money. But is this a safety issue concern? Because I'm hearing that. Do any of you have a concern of people knowing where you're at and how much approximately your house worth. And is that a problem? And especially we have so many scammers around as we always, you know, been fighting against. So anyone can answer that.

KYLE BRAGG: Thank you. I would just say that it's just been totally confusing. There's no conversation that I've had with anyone in this city

that really understands the pied-à-terre tax and the impact on them personally. And I'm talking about people who've worked, lived and worked in this city their entire lives. And so there's lack of clarity, and that's a problem. That's a problem. You're rolling out such an important piece of legislation, and people don't understand whether or not it has an impact on them personally. People– we're not talking about the wealthy, we're not talking about billionaires, we're talking about everyday New Yorkers who spent their entire lives in service to making this city better. I think there's– you know, the lack of clarity, lack of information that's available to people around the rollout of the pied-à-terre tax is a challenge.

JASON HABER: Council Member, if I could, if I could just address that also. I think a foreign actor can down— has already downloaded that list and can very easily do a mailing, make it look like it's from a city official, and say something like pay $50 or $100 and so you won't be subject to the tax. There are plenty of seniors, unfortunately, who already know all too well that they can be victims of scams.

This is a perfect opportunity for those with bad intent to reach out to seniors on that list and target them for fraud.

COUNCIL MEMBER NARCISSE: And on the letter you receive or your friend receive, do they give them an opportunity to appeal if they need to? Any option that, like, you have? Like they have? Do they get—

JASON HABER: [interposing] Yeah, no, I mean, absolutely. But I think the process is that the burden is on that person, not on the government itself. And I think that they have that inverted. And so they've put people, again, seniors, in an awkward position. You know how hard it can be just to having a senior upload information to their Social Security account. And now we're asking them to do something they've never done before and/or hire an attorney to do it, which adds an additional cost and burden. The burden is reversed. It should be on the city, not on the citizen.

COUNCIL MEMBER NARCISSE: I got you. The co-op, I'm still having a little problem with that because I know I'm dealing with a lot of folks, and

like you said, some of the condos, they may worth whatever they amount, and in the long run, you cannot even sell it for probably 3/4 a quarter of the price if you're lucky. So the surcharge, I'm wondering how the board is taking it. Is the board dealing with that and how they help the folks? And most of you are probably seniors in the condo or co-op, so in your case, do they give opportunity to discuss how we're going to face the challenges of the surcharges?

CHAIRPERSON BREWER: Rebecca, go ahead.

REBECCA POOLE: So a lot of boards and property managers have been providing education and holding meetings with their shareholders and unit owners to explain the tax and the rollout. The concern is really for a co-op is what happens if the pied-à-terre is actually pied-à-terre and the shareholder doesn't pay the $40,000 or $80,000, then the rest of the building would need to make up that amount. So in a 10-unit building, if the charge is $80,000, you know, all the other shareholders are kicking up slightly less than $8,000 each, right, in order to pay their real estate- you know, that

portion of their real estate taxes. So that's the primary concern for co-ops.

COUNCIL MEMBER NARCISSE: I can see that. So thank you for your time. And pied-à-terre, if we get the meaning of it, it's just a little landing on the ground to have a little— but now we're going to have to redefine what pied-à-terre is. Thank you.

CHAIRPERSON BREWER: Thank you. Council Member Zhuang is also here, and we want to hear a question from Council Member Carr.

COUNCIL MEMBER CARR: Thank you, Chair, particularly for presiding over this hearing today. It's crucially important. And I, you know, I'm just here on behalf of the– many of the over 900,000 folks who are on that list inappropriately, because so many constituents are in fear and in confusion at a minimum based on the release of their information in a way that's unprecedented. Everybody in government knows for years the city publishes its tax rolls, but never has it been so easy to get at that information and to give a roadmap to individual property owners across the city, many of whom it's the biggest investment they ever made or the biggest investment

their family ever made. And to be made to appear to be victims because of their success as a family, which is why so many of us came here over the generations, is a shame. And despite what was said in the testimony from the Finance Department, I do not believe a plain-text reading of the law meant that they needed to publish this list in this way. They only needed to send out determination letters to those they believed were subject to the tax. And I couldn't agree more with what was said. It is a total inversion of the burden of proof for the city to be the ones telling property owners it's on you to prove that you're actually a resident here. It's on you to prove that you lease or rent out your property to a residential tenant. It's completely wrong. And I really want to commend Speaker Menin and the leadership here of the two committees for trying to make sure that this rollout never gets bungled again, because that's exactly what happened. And in particular, I'm disappointed that we can't ask the Finance Department directly in a hearing today any questions at all, but in particular, another issue that hasn't gotten enough attention, which is, are

the Finance Department's evaluations of properties correct? There are many in this room and on this dais who spent years wading into that debate. Nobody thinks the Finance Department's evaluations are correct. It's a systemic problem that's been wrong for decades. And now we're relying on that flawed system to determine whether or not certain property should be subject to the pied-à-terre tax. And in particular, so many of my neighbors, none of whom, none of whom meet the property threshold, the financial threshold, to be included on any list with respect to a second home tax, it just- it beggars belief that this is where we're at today. So my question to the panel, whomever wished to ask, is, do you believe that this rollout was done effectively or appropriately? And secondarily, what are your comments on the Department of Finance's evaluation system in a general sense or with particular— particularity to condos, co-ops, or one- and two-, three-family homes?

JASON HABER: Councilman, the only word to use is botch. It was botched. And just to further your point, Councilman, the weekend that the list was

downloadable, I downloaded it. I created an app in two hours. I was able to sort it using API information also about age, and I could integrate age integration in if I wanted to create a targeted list. And I decided not to release it. I kept it locally on my computer because I thought someone could use it with mal intent. If I could do it in two hours and I'm not even a computer programmer, imagine what someone could do who wanted to do harm to New Yorkers. It's just that easy, and it's just wrong.

CHAIRPERSON BREWER: Council Member Wong, next.

COUNCIL MEMBER WONG: Thank you, Chairs. So much for transparency. The administration is refusing to send anyone to answer questions for a rollout that has already produced thousands of challenges, widespread confusion, a court fight, and nearly 2,700 homeowners who have been told the city got it wrong. And the Charter Revision Commission already showed that the Mayor's view of the Council's checks and balances are not something this administration respects when they get in the way. Now, at the hearing convened to conduct oversight of

the Mayor's own tax rollout, the administration is sending no one. I would like to say this. My residents in my district shouldn't have to hire lawyers to prove they live in their own home. Thank you. Thank you. And if the city can pull tax data- the statute allows finance to pull tax data to verify residency. It makes no sense that the work is being handed to the homeowner to do that instead. So my question is, do you feel safe now that the list is out there, or you think we're all being— we will be targets of fraud, threats, harassments? Can anyone answer that?

CHAIRPERSON BREWER: Somebody besides Jason. I love Jason, but somebody besides Jason can answer that question. Go ahead.

THOR THORS: I'm more concerned, rather than specific safety, I'm more concerned that this administration is putting homeowners on the hot seat. That what they're saying is, we know how much— we know who you are, we know how much your apartment is worth, it's all up in the air now. There's going to be future taxes. We're going to tax you in the future.

COUNCIL MEMBER WONG: Okay, thank you, Chair. Thank you, Chairs.

CHAIRPERSON BREWER: Council Member Hanks.

COUNCIL MEMBER HANKS: Thank you so much. Thank you, Chair Brewer, Chair Lee, for holding this important hearing. And I just really want to reiterate for the record my earlier statement from before, that we really aren't here to dispute the pied-à-terre tax. This hearing is about everyday New Yorkers that who, you know, have just been treated in a manner in which is completely unacceptable. And if the administration would have shown the care it took to provide the written testimony as it did with this botched rollout, we may not be here today answering and asking these questions. The one thing I've learned in my short time having the privilege of representing District 49 in the North Shore of Staten Island is that how you provide information to your constituents really reflects how you feel about them. It reflects respect, because if you respect the people that you represent and you take great care in how that information is provided and absolutely how it's perceived— so how the administration published

more than 900,000 names and addresses showed me that this is how the administration feels about homeowners in this great city, that this is something that we need to be ashamed of. A hit list of the haves and the have-nots, a scarlet letter, letting everyone know, as you had so poignantly said, we know who you are and we see you. And more importantly, the absence and written testimony is an amplification of that message. So my question is, many of my constituents have, have asked- they found themselves on this larger hit list, but their home is in trust. And, you know, many people will do estate planning without letting their partners know, their families know. So this is also like an invasion of privacy on things that are very intimate and how you're going to handle your parents', you know, situations as they get older. People put housing in trusts. Can anybody kind of talk to me today about how that's interpreted when it comes to this kind of list? Because that's really the question I should be asking the administration, but this is the question that I would say that 10 or more of my constituents have asked, that they are

living in their primary home but it's in a trust. So I don't know if you have any. Thank you.

REBECCA POOLE: The Department of Finance rules outline how a beneficiary of a trust can go about proving primary residency, where you provide— I don't remember the exact details, but if you look at the Department Department of Finance rules, it tells you what information the trust would have to provide. Unfortunately, the trust is automatically assumed not to be a primary residence, although, you know, perhaps the tax returns of the primary beneficiary could be used to show that that's their address.

COUNCIL MEMBER HANKS: I really appreciate you answering my question, but it is not the obligation of this panel to answer these questions. So I hope I didn't put anybody on the spot. It was kind of rhetorical. But thank you all so much and everybody here that is here in this hearing. Thank you.

CHAIRPERSON BREWER: Thank you. And good luck if it's in-laws in there because they're not on the list, just in case you didn't know. Council Member J. Sanchez? Not here. Council Member Morano?

COUNCIL MEMBER MORANO: Thank you, Chair Brewer, and thank you, Chair Lee, for holding this hearing. Thank you to the public, the members of the public that signed up to testify both here and on Zoom, not only the five of you who we've already heard from, who all did a brilliant job, but for everybody to take the time to make sure this doesn't turn into a Clint Eastwood speech of us talking to an empty chair. And I do want to begin by talking about who's not here today, which obviously is the administration. And quite frankly, I find that outrageous. The city was able to identify nearly a million properties and put them on a list connected to this tax, it was able to find 17,000 homeowners and send them letters telling them they could be subject to a substantial surcharge, but somehow today the administration couldn't find its way within the same building to City Hall to answer questions about it. I find that to be totally unacceptable. They've cited ongoing litigation. Well, litigation doesn't suspend legislative oversight. There are plenty of questions about administration, customer service, data, staffing, and basic competence that don't

require anybody to discuss litigation strategy. I don't accept that. City administrations testify before this council all the time while litigation is pending. Jason cited a few examples. In fact, the Law Department itself has appeared before the Council and discussed active lawsuits involving the city. Just last November, Corporation Counsel testified about the city's ongoing federal litigation over sanctuary city laws, and the Law Department routinely appears before this council while simultaneously representing the city in scores, if not hundreds, of active cases. Nobody is asking the Department of Finance to waive attorney-client privilege or reveal its litigation strategy. We're asking basic questions about how a major tax was administered. What records did you use? How did you identify the 17,000 homeowners? How many were identified incorrectly? Why weren't government records cross-checked first? And why did you publish a supplemental roll containing more than 900,000 properties and associate it with the surcharge? These are oversight questions. So when the administration refuses to sit here and answer them, I think New Yorkers are entitled to ask a very simple question:

What are they hiding? And I particularly want to address something in the administration's written testimony. They claim they were required to publish this massive supplemental role. That is very much disputed. The state law, as Minority Leader Carr cited, says the Department of Finance must make an individualized initial determination about whether a covered property is not a primary residence. What I don't see in that statute is a direction from Albany saying, publish the names and property information of more than 900,000 New Yorkers and describe that list as related to the tax. In fact, the city's own website now acknowledges that the vast majority of the properties on that will not be subject to the surcharge. Only roughly 17,000 owners even received notices. So I would have liked the Commissioner sitting here today to explain that discrepancy. If you truly believe state law required this particular list, come before the Council, point us to the language, and answer questions about it. But you can't make a sweeping assertion in written testimony, decline to appear, and then expect the Council to simply accept it. That's precisely why oversight

hearings exist. Litigation is not a hall pass from legislative oversight. The more New Yorkers and the more this council learned about this whole process, the more clear it was how rotten it was, how bungled it was, and the more questions we had. So I sincerely hope that the administration does not decide to make this routine. What was the error rate? We don't know. We don't want to hear a press release from the administration or a talking point. We want to hear your error rate. How many New Yorkers did government unnecessarily frighten? How many hours did people collectively spend fixing something that City Hall could have gotten right beforehand? How many seniors had to find documents? How many people called an attorney? How many people simply assumed that because an official letter came from the Department of Finance, they must have done something wrong? I'd also ask this, not of you, but of the administration. The Comptroller estimated that roughly 13,000 properties would be subject to this-

CHAIRPERSON BREWER: [interposing] Council Member, thank you.

COUNCIL MEMBER MORANO: Why the difference in that number? Thank you.

CHAIRPERSON BREWER: Thank you. Council Member Dinowitz.

COUNCIL MEMBER DINOWITZ: Thanks. Good morning, everyone. I do have to agree, by the way, you know, we were promised a new era of transparency in this administration, and it is deeply disappointing that regardless of whatever is going on in the administration, they should show up and answer basic questions about the rollout, the rollout that's clearly impacting tens of thousands of New Yorkers. I have a question about co-ops. I have a number of co-ops in my district, as you well know, and we have a lot of things like local laws, and a lot of the local laws, like the pied-à-terre tax, most people support. Most people support raising money for our city services from non-New Yorkers who have the vacation home in New York City. But like so many of our local laws that deal with the environment or health and safety, there are often costs associated with it, unintended consequences, unintended costs, and quality of life concerns because of the amount of

work we need to do to comply with these laws. And I'm wondering, for those of you representing co-ops or living in a co-op, if you not only anticipate concerns about, you know, that one or- those one or two apartments in the building, but any costs that the building itself may have to pay for those consultants that you're so used to paying for or legal fees. Have you paid any of those costs yet, or do you anticipate as this gets rolled out that you will be enduring those sorts of costs?

REBECCA POOLE: So there has already been discussion amongst co-ops about potentially changing proprietary leases in order to deal with the collection of this tax, which won't be done based on a share distribution, but will rather be just assigned to an individual. So that's a change on how expenses are usually collected. So there may be proprietary lease amendments which will require an attorney. And then obviously if there's a pied-à-terre and the tax doesn't get paid, there will be an attorney to try to collect the funds to pay to the Department of Finance. If the building can't pay the pied-à-terre tax, tax and it's left as an

expense, there's a potential for insurance problems if the building has to renew their insurance and they have this debt to the city because they haven't been able to collect it. Same thing with if a mortgage renews. Those are sort of the issues that we've already, you know- people are already planning to try to address depending on how it's rolled out. And we just wish that there had been some discussion in advance of the legislation being introduced in the state with co-op and condo professionals so that they could have weighed in on these issues before the legislation went through.

THOR THORS: If I may add, having served on the board of my co-op, I can tell you that co-op boards are highly risk-averse, right? So any little hint that this could cause a problem in the building with assessments or the management of the building will immediately trigger most co-op boards to say, well, we're not just going to— we're not going to allow any more pied-à-terre. That's just going to happen. So that— and that's going to close out a large portion of the market in many of these buildings. They're just not going to allow

pied-à-terre. So that's going to close out a lot of people who may not even be anywhere near the limit, but they're just going to shut out anybody who's out of town. And that's going to severely impact the market, and it's also going to reduce the price of co-ops. They're not going to be able to get the prices that they– that they want.

COUNCIL MEMBER DINOWITZ: Thank you. I appreciate that. It seems— so it seems that there are going to— there are costs and concerns associated with this. A tax that I support, by the way, and I think most people on the Council support, but without the administration here to even discuss these things on the record in public, it's very difficult to address these issues in a public forum. So beyond state legislation, which you've mentioned, what steps could the city take? Because I think you're right. I think the burden should be on the government, not on the individual shareholder or homeowner to address the costs. And in particular, in the case of co-ops, it should certainly not be in the— the burden should not be on individual shareholders who aren't— wouldn't otherwise be subject to this tax. So what

steps should the city be taking, should the city government be taking to put the burden on them regarding co-ops? Give me the mic on, please.

MARY ANN ROTHMAN: The state legislation sets up the chart of evaluations, and it sets up the process as it is now, where the Department of finance can bill the— can have the co-op be the collector for them. So I think we have to work very hard to amend— for amendments to the state law as soon as the state legislature reconvenes, or the new legislature convenes in January. I don't know— I can't think of specifics that we could do here without the right state legislation to help with the implementation of this difficult law. Correct me if I'm wrong.

JASON HABER: I would just- I would just add that I would invert— if I had a magic wand, I would get the list off the internet immediately. Right? I would invert the whole process and allow for the enormity of government to be required to tax the citizens and demonstrate it, not the other way around. I think those basic steps would cure a lot of confusion and would be fair. And I think that's a step in the right direction.

COUNCIL MEMBER DINOWITZ: Thank you so much. Thank you, Chairs.

CHAIRPERSON BREWER: Thank you. Council Member Paladino on Zoom.

COUNCIL MEMBER PALADINO: Good afternoon, everybody, and thank you very much for the opportunity and to the two Chairs. Thank you for hosting this very, very important and troubling hearing. To echo what has been said again and again by my colleagues Carr and Morano, it's an absolute disgrace that the administration is not here to address these people, let alone us. This is extremely, extremely troubling. This list is indeed a targeted list. Let's cut to the chase here. When you tax people to the point of— let's say that's one woman spoke about a family that bought their house in 1970, was not aware of course that there was going— and they bought a second home in Florida or wherever, that they're going to be facing something like $40,000 or more in back taxes or the new tax that's being implemented. This tax is being implemented for one reason. It's being implemented because we've watched this administration go after private

ownership. We've watched this happen continuously. It's been on his agenda since he ran for office. So our mayor and the people who surround our mayor and the state government— this is eminent domain, folks, because if you cannot pay your property taxes, what happens after that? They come in and they swoop up property. This is one of the ways in which they can foreclose on a property, be it a co-op and condo or be it private home ownership. This has been the ultimate goal of this administration from the beginning. And the fact that they are not here, to Frank's point, leaning on their legal troubles that they're having or what's happening in court, that is not reason to be here. They are not there because they do not want to answer questions. This is considered a foregone conclusion. And this is a shame that these nice people, regular New Yorkers, came out to talk to what they hope and get answers to what they hope would be the confusion. And there is 900,000 people. How is this possible? There's so many question marks to this. This is a targeted list, and to everybody on that panel, you made a perfect, perfect statement, each and every one of you. But I

want the people of the City of New York who can hear us today, and this will be recorded, I highly advise you to watch very carefully because it's— the burden of proof is being left to the individual citizen. Once again, it's being left to the individual citizen. They will have to bear the burden of proof. This is totally unfair and coward— an absolute cowardness of this administration because they watch everything that goes on. And yes, I'm being very critical of Zohran Mamdani and his entire housing czar and their whole committee that they set up. This is all part of a plan. This is ultimate- eminent domain. Who is going to be able to pay $40,000, $80,000 in back taxes and then pay lawyers to go up against the Finance Department and drag their cases into court? And to the other gentleman's point with real estate, take that list down immediately. Immediately take that list down. This is so unfair and cowardice, cowardice on our mayor. Thank you very much for giving me the time.

CHAIRPERSON BREWER: Thank you very much. This panel is dismissed. I appreciate very much your testimony. You should know that I got a letter from

somebody who says that they will take care of my pied-à-terre tax, just so you know. I don't have one, but I appreciate the letter. The next panel is Anna Champeny from Citizens Budget Committee, Charles Diamond, Susan Peters, Leonard Steinberg, and Heather Domi. Whomever would like to begin, feel free to start.

CHARLES DIAMOND: I'll begin, Chair, if that's okay.

CHAIRPERSON BREWER: Yes, please.

CHARLES DIAMOND: Thank you, Chair Lee, Chair Brewer, the entire Council. My name is Charles Diamond. You know, I worked for the city for nearly a decade, including on probably close to a dozen implementations of state law changes into local law. I'm here today to speak in my personal capacity. I don't even own a home, but I'm so disturbed by this process that I felt the need to kind of point out what I saw and, and to really thank the Council for refusing to abridge its responsibilities during a time like this and holding this hearing. Regardless of one's thoughts on the underlying policy, the release of personally identifying information by the

city, like names and addresses, is usually a torturous process on purpose. Talk about all of the different times when we release PII, and there are reasons why this– why this takes a long time. In this case, over 98 percent of the PII that was released are of people who are palpably not subject to that tax. That kind of over-inclusion of PII should be extremely concerning to us all. If it was in furtherance of a PR objective, that should be even more concerning. I found it very disturbing, the argument of the Finance Commissioner in his written testimony, that this information is otherwise publicly available. That's not usually the standard. When the government collates and releases and publishes information in a different way, it carries its own risk. Chair, you and I have spoken about this at a previous time with procurement. Talk about the cautions list, a list of people who have gotten poor performance reviews. The city has refused to ever publish one list like that because— and they use the phrase I think someone else used— it would be a scarlet letter and could be used in negative ways and give a negative implication. That's about contractors

who choose to contract with the city. Yet for some reason, that normal analysis, that normal cautious analysis didn't happen here, and we need to ask why. So thank you for doing that. What is even more disturbing and more important is the fact that no one from the administration is here to testify today. It is unacceptable to use the idea of pending litigation as a reason not to testify in an oversight hearing. Almost every city action is subject to some potential litigation. I myself have sat here during the asylum response hearings, and there have been individual questions when I said, you know what, I cannot answer that question due to litigation or pending actions, but here's what I can talk about. Here's how it generally works. That's how it's supposed to work. In fact, what this really reminds me of is an incident in the last administration when the Director of Intergovernmental Affairs read their testimony and stood up, and walked out. The entire Council at that time was unanimous in their condemnation of the administration. In this instance, they didn't even show up. It was bizarre, Chair, to hear you read in a Commissioner's testimony into the record. It is

utterly, utterly bizarre. So in that sense, I urge the Council to condemn the actions of the administration in this instance, when it may be less politically convenient, because they've shown through their actions that they do not consider the council as an equal partner in government, contrary to many of their assertions before getting here. So thank you to the council.

CHAIRPERSON BREWER: Thank you. Next?

ANA CHAMPENY: Good afternoon. I'm Ana Champeny, the Vice President for Research at the Citizens Budget Commission. Thank you for the opportunity to testify. Clearly, implementation thus far has been rocky. Insufficient vetting, compressed rollout, and inadequate communications all contributed to confusion, and both the city and the state can learn from the early stumbles. CBC does not support the pied-à-terre tax. There are, in our relief better ways to stabilize the city's budget, but our decades of experience on tax policy reinforce the importance of high-quality tax administration. Looking more specifically at the challenges, first, the legislation received limited public vetting. The

bill language was released just one day before the state legislature voted, leaving little opportunity to identify ambiguities and implementation challenges. Greater vetting would not have prevented all issues but would have improved the odds. Second, DOF is implementing a new and administratively complex tax with less than eight months from enactment to revenue collection. The law requires determinations about values, ownership, and residency, including special rules for co-ops and condos. To meet the deadline, DOF developed regulations and administrative processes in less than seven weeks. This time constraint makes the desired analytics, consideration of public input, and communication harder. Third, the city's public education and communications were insufficient. Many did not understand that the law directed DOF to, “open to the public the books of annual records of market values of covered properties,” which is a much broader group than those subject to the tax. DOF chose to comply by publishing the supplemental rule. This choice appears reasonable, but it did also create near-instant confusion. Notably, adequate

vetting of the legislation may have helped inform the public or led to a change in the legislation itself. Also, DOF did publish more variables than were required and did not indicate whether properties might be subject to the tax. Concerns about public disclosure of private information are understandable, but potentially misplaced, as the information is already public in the tax roll, in the PLUTO database, in ACRIS, in numerous sources. The city should have communicated about the 17,000 letters more clearly— who would receive a letter, why DOF needed additional information, and the next steps. Given this confusion, the city was right to extend the deadline. In addition to lessons noted above, the city should take this ideal opportunity to evaluate the pied-à-terre tax impact on property values, transactions, housing supply, ownership patterns, and tax revenues. These findings would enable the legislature to smartly adjust the policy if it generates unintended consequences, while also informing comprehensive property tax reform. The city could also evaluate broader related impacts of

changes in supply and ownership, not just on property taxes, but all revenues. Thank you.

CHAIRPERSON BREWER: Thank you. Next?

LEONARD STEINBERG: My name is Leonard Steinberg. I am in the real estate world, and I was a little kid in Africa at the age of 20 dreaming of coming to the United States of America specifically because of the dream of fair and equal treatment. That is what is specified in the Constitution of the United States of America. Everything about the rollout of this tax has been pretty unfair and unequal and extremely punitive. And I speak to all of you here, and I thank you especially for those of you who were capable of showing up to something this important, because I think there's a misnomer about the numbers, and I'm going to look at some of the numbers today, but the messaging around this tax is outrageous. And I'll give you some examples of just how outrageous it is. Even in today's discussion, there was mention of this tax applying to apartments and co-ops, condos and co-ops worth $1 million or more, with a market value of $1 million or more. That is the message that has been sold to the entire

United States of America, all New York citizens, and around the world. That is a false statement because the market value that the city applies to a property is not the market value that most people would assume is market value, what it would sell for. That means that statement is grotesquely inaccurate. Secondly, we could talk about this being exposed to over 900,000 homeowners. Yes, but it applies— how many people live in each one of these homes? Three? That amounts to about 3 million New Yorkers out of 8 million New Yorkers. That's about 40 percent of the population you are alienating. But the messaging around this is so divisive and anger-fueling, and it stands in sharp contrast to the message we've been given about uniting the city and bringing us together. New York City is the dream of people around the world just like myself. I dreamed of the city and I dreamed of this country because it was inclusive. It embraced everyone. Here you have something that is specifically and purposefully aimed at dividing, fueling anger and division. That is wrong. So what I'm asking today is for the Mayor and for the City Council to group together and come out with an

apology to all New Yorkers, because it's every single one of us in this room who pay taxes. Yes, 900,000+ people pay a lot of real estate taxes, but everyone in this room pays sales tax and a whole host of other taxes, and this City Hall is paid for by the taxpayers of this room and everywhere to do the job of the people. And the people of New York demand that New York City is represented by its Mayor and City Hall as the bastion of desire throughout the world. The world should crave to be in this city. This sends the exact opposite message. So I'm asking for a great, beautiful video that comes out on social media, because this is a very social media savvy group, to apologize to all New Yorkers and to clarify the message to the world that no, we are not aimed at dividing, but we're actually aimed at uniting the people of New York City. Thank you.

CHAIRPERSON BREWER: Thank you. Next? No, no, thanks.

HEATHER DOMI: Hi, my name is Heather Domi. I am a resident of District 1, and I'm very grateful to be here today. I am a real estate broker, have been for 20 years, and I'm grateful to the

committee here, Council Members, for taking this issue with such seriousness and personally. There are— I'm going to talk about the unintended consequences because we haven't gotten to any of that, and that's really important. And I do want to make sure we don't lose fact that this was meant to target homes above $5 million. And as Leonard Steinberg pointed out, the assessed estimated market value of $1 million is what tends to get swept up in the conversation, and we're losing fact that this was meant to target above $5 million. There is an inequality in our system of estimated market value. Point-blank examples of an apartment at 15 Central Park West that closed for $21 million in June and a $3 million condo in the— on the Bowery that closed for $3 million in May. The property that is seven times the amount of the other one has a lower estimated market value than the $3 million property. So the system is so incredibly flawed in the way that it is valuing these properties that it is targeting all of the wrong people. We are targeting— this has targeted retired people. This has targeted people who have bought from deceased trusts, so there's no one

to claim residency for the January 5th date. People going through renovations who are here full-time, but they can't claim residency to the property because it's unlivable, uninhabitable. Owners who have rented their properties out, they've made investments in our city and paid taxes for years, and they put tenants in their property who have long-term leases. Maybe those people aren't full-time residents, but guess what, they're stuck in a lease with a person who's not a full-time resident. So now they're going to have to also pay the pied-à-terre tax on that. So the unintended consequences and the cases are so wide and so vast. A client who's retired, exited the city, selling their property, and now they have to contest the tax. But by the time the property sells and closes, they will no longer own it. Will the city honor the fact that this property isn't worth more than $5 million and that they sold the property, and will they get credited back that? So there's so much uncertainty, so much fear that has been created within New Yorkers who have lived here, invested here, that it really has to be looked at. So many different cases, trusts that weren't set up with this

tax in mind, LLCs with joint partners that own 33, 33, 33 percent. This structure and the cases need to be examined very closely.

CHAIRPERSON BREWER: Thank you. Don't forget about the in-laws.

HEATHER DOMI: Thank you. In-laws too.

CHAIRPERSON BREWER: Go ahead.

SUSAN PETERS: Can you hear me? Okay. Hi, my name is Susan Peters, and I'm a resident of the Upper West Side of Manhattan. And a member of the American Monetary Institute, a 30-year-old monetary reform 301C3. I speak today about the root cause of distress in our city displayed today by our need to legislate a pied-à-terre tax, a wealth tax. The root cause is our US monetary system which determines the creation and distribution of money. Who creates all the money our citizens need to live? Who decides who will receive that money? I worked for 17 years as a data professional for a Wall Street bank. I learned the secret of private banking. Our money, the money we all need to pay rent, buy food, clothe our family, send our children to school is privately created by commercial banks. "Every time a private commercial

bank makes a loan, it creates the loan principal by writing a bookkeeping entry for the principal in the borrower's checking account." This is new money creating the US money supply and all from debt? Hard to believe. Legally, the banks can charge interest and foreclose on property when the borrower defaults. This is a vast power in the hands of private parties, not taught in our schools or discussed in our media. These private banks are deciding who gets loans, therefore deciding the distribution of our money. As any citizen can see, the loans are going to the financial economy, which creates stocks and bonds bubbles and ignores the real economy where we all live. Real infrastructure in our city suffers. I'd like to give you some documentation here. One of them is an article from 2014 published by the Bank of England, which has the same system as ours. The title is Money Creation in the Modern Economy. "This article explains how the majority of money in the modern society is created by commercial banks making loans." Number 2, "In the modern economy, most money takes the form of bank deposits, but how those bank deposits are created is often misunderstood. The

principal way is through commercial banks making loans. Whenever a bank makes a loan, it simultaneously creates a matching deposit in the borrower's bank account, thereby creating new money."

CHAIRPERSON BREWER: Thank you very much.

SUSAN PETERS: Thank you. Please contact me with questions.

CHAIRPERSON BREWER: Thank you. Council member Zhuang has a question, and then Council Member Wong. Council Member Zhuang? And also Council Member Mealy is here. Go ahead.

COUNCIL MEMBER ZHUANG: Thank you, Chairs. I was not very surprised administration have no one come to testify. Sometimes even they are here, they don't— they are not prepared to answer any question anyway. Today I just want to make some statement and also have some questions. I wanted to be very clear. I'm here not speak up for the ultra wealthy people who own multiple luxury property, who never pay their fair share, have 10,000 accounting, CPA, or lawyer work for them. I'm speaking up for hardworking New Yorkers who may have been wrongly identified and now have been asked to prove they are— they should not be

taxed. The city sent out around 17,000 notice to property owners. I actually got three phone calls from my constituents. One person is in Italy right now. His granddaughter live in his apartment in Manhattan, and he have another house in my district, and he's worried what he going to do. He need to— maybe he should sell his apartment in Manhattan, kick his granddaughter out from his apartment or something else. He couldn't afford for additional $40,000 expense for the tax. And this is type of people we see every day. And also I have someone in the military ask me, does he need to pay additional tax? This type of question I get asked, I just feel it's embarrassing for our New York City government. We should not tax the hardworking people. We should encourage them working hard, own a house, not just give extra and extra, extra tax all the time. So my question is for the administration. How the decision made, and how did you guys identify 17,000 people in the list? What did you guys do with those people, and what's the next step if they are not able to provide the information on time? Some people not here in the

summer. So what's the purpose and what's the benefit of our New York City as a whole?

CHAIRPERSON BREWER: Well, these people can't answer those questions, but–

COUNCIL MEMBER ZHUANG: [interposing] I know.

CHAIRPERSON BREWER: Okay.

COUNCIL MEMBER ZHUANG: Yes, no one answered my question. This is my answer. Thank you.

COMMISSIONER GARCIA: Council Member Wong

COUNCIL MEMBER WONG: Thank you, Chairs. I have a question about Citizens Budget Commission. We have— this tax has a five-year sunset clause. How does the CBC assess the risk on this five-year sunset clause ending after fiscal year 2031? Would that create instability from the city's revenue planning, and would CBC recommend any reauthorization or phase-out framework right now?

ANA CHAMPENY: I think it really depends. Having a tax that sunsets and is temporary arguably is not the sort of recurring revenue that you would want to base your budget on long-term, so it is a fiscal risk that it is set to sunset, though we have

seen that many taxes set to sunset in Albany get repeatedly extended. So I think there is that possibility. I also do think there is a question about comprehensive property tax reform, and if that were to take place, how that would interact with this tax going forward. But I do think you do raise a good question about long-term planning with regards to a tax that will sunset. And we really do yet have to wait to see how much revenue it will yield. So that's an unknown as well.

COUNCIL MEMBER WONG: Okay, thank you. Thank you.

CHAIRPERSON BREWER: Thank you. Council Member Narcisse, did you have a question?

COUNCIL MEMBER NARCISSE: The thing is, the problem that we're having right now is those folks that is not really a millionaire like many, you know, that we're talking about. We're talking about average folks. We heard it from Kyle that is actually- did everything they're supposed to do, like this young man said, coming— that's what appealing in New York City. This is a place you want to be. They work all their lives, and like my colleagues just

mentioned, those are the people that we concern really how they're going to do it. Do they give you in the letter that you receive— have you, any one of you received that letter from Department of Finance already?

CHARLES DIAMOND: We've read them.

COUNCIL MEMBER NARCISSE: Okay, so it's not directly for you, right? So what– actually, for me, I'm asking– by the way, before I even ask my question, we are not the one that's talking about pied-à-terre. We're just trying to find out what can we do to help, because you elected us to do our job. So it's not us that came with that pied-à-terre directly. So we're trying to do our very best. I just want to clear that out. What is the kind of like– those that received the letter, what is the option they leave you on the table? Because we're talking about September 14th, what's the date? 18th. So if you don't do that, do you find an organization, any organization listed? Did you call, anyone call the Mayor's office or the Finance Department, Department of Finance to see what is the option that you have? Because when you receive letters, as bad as it may

be- we disagree, it should not be online for all those folks. I'm concerned about seniors, the people that don't have no— now people knocking on their doors or sending them email. I'm concerned about all that. But I'm saying, do you have a nonprofit organization listed from Department of Finance that tell you this is what you need to do and how can you do it to make sure that you're not falling in the bucket because you work so hard, you don't have extra money, now you have that tax over your head. If you don't pay it, you're risking the— you're risking your own livelihood, which is your home. So do you have—

CHAIRPERSON BREWER: [interposing] Let's see what they have to say. Yeah, go ahead.

LEONARD STEINBERG: Yeah, I think the letter was somewhat clear, but I think the messaging is the problem. I think the communication style is so unclear to so many people, and for others, who are more adept to these matters, it's pretty basic what you have to do and pretty obvious what you have to do, but for a lot of people, it is overwhelming. They're calling brokers, they're calling lawyers, and I think what needs to happen is there needs to be a

very aggressive clarification of exactly action steps as to exactly what you should do, and maybe that should come from the Mayor himself so that he can explain to people, step one, do this, step two, do this, step three, do this, and I apologize for this, horrific public relations debacle, probably the most expensive public relations debacle in the history of New York City.

CHAIRPERSON BREWER: Anybody else want to comment?

HEATHER DOMI: Yeah, also, so for a lot of the people with the unintended consequences that are these use cases that are outside of your typical, very basic, just send out your— send your information verifying your residency status, when you have that, you have to hire an attorney attorney. Attorneys are charging $2,500 just for the first initial consult. Some are charging success fees, like 10 percent of the money that they save you, and then some others are not able to give them the full total of their fees and charges depending on their case. So it's becoming an instance where there's an attorney grab

going on, but people don't have a choice because it's not clear, and they don't know what else to do.

CHARLES DIAMOND: I would also just add, I mean, let's compare this to the norm. Let's say Local Line 97, eight years of implementation. How many focus groups? How many— a specialty group was created to provide one-on-one customer service. Containerization, right? That was a sped-up one, and that was still three, four years of explaining mailers, all these different things. So in terms of the norm, I think we can see a very big difference between educating our taxpayers, educating our homeowners on what they have to do, how we normally do it versus how we did it this time.

COUNCIL MEMBER NARCISSE: So there's no structure for you to follow to say how. Because I know some folks, they're millionaires on paper, but they're not really having that extra we're talking about, getting a lawyer. If they have to do that, they're running the risk of losing their home, and that's my concern. Anyway, thank you so much for your time, and we're going to do our best. I can only apologize for the government in general, but in the

City Council side, is not us. I just want to be clear.

CHAIRPERSON BREWER: Thank you, panel, very much. Thank you. The next panel is Mariana Robinson, Beverly Solo, David Backer, Isabel Penaranda Currie, and Laura Penaranda. Whomever wants to join us, are you all here? Alright, whomever would like to start, go ahead. Got to push the button.

BEVERLY SOLOW: My name is Beverly Solow. I live in Inwood in northern Manhattan. I've lived in New York City for 44 years. I'm a grandparent and a parent of two public school teachers. I'm also a lactation consultant and have worked to help countless new parents return to the workplace. I'm not here to talk about the merits of how this was— the rollout or the implementation. Clearly, it's been a mess. The vast majority of the discussion has been about that. But let's say those problems could be resolved. My message is simple. I want to see revenue from the pied-à-terre tax go to schools and childcare. Properly funded, the school where my son teaches in Queens could more meaningfully support all students in growing and learning to the best of their

abilities. More funding could mean hiring more teachers and lower class sizes in accordance with the law, which is not being followed now. More tutoring hours for students. As it is now, my son often tries to fill the gaps on his own time with extra tutoring. Teaching teenagers isn't as stressful as the lack of resources for public school teachers. Some of his students are also unhoused. The cost of childcare is one of the causes of homelessness. With free childcare, hopefully we will no longer have nearly one in seven students living in homeless shelters. On a personal level, I want my son to be able to continue to live in the city where he was born and raised. I want to be near my grandchildren. Taxing the rich is extremely popular among working New Yorkers, as is our Mayor. Whenever I wear this Tax the Rich t-shirt, people on the street smile or say, I like your shirt. We who live, work, and pay taxes here year-round make this city a desirable place to have a second home. It seems reasonable and fair to ask those who don't pay full-time income taxes here but who have luxury homes here for pleasure to contribute to the well-being of New York City, its

families, and students. I really, really hope that the problems in implementation can be resolved so that those who are able and willing to pay taxes on their second pleasure homes are able to do it so that we can have the revenue for really important public services. Thank you for the opportunity to speak as a private citizen not representing any organization.

CHAIRPERSON BREWER: Thank you. Next?

ISABEL PENARANDA CURRIE: Hello. Hi, my name is Isabel Penaranda Currie. I'm a PhD candidate and researcher at the University of California, Berkeley, and I study public finance, land and property tax taxation and city planning. I'm also a Colombian-born Washington Heights resident living on a graduate student budget, working multiple jobs, and even then, after paying rent and basic expenses, there's not a lot of money left. I strongly support the pied-à-terre tax. My research has taught me that a city's fiscal system is more than an accounting mechanism. It's an expression of a social contract. I've also learned that there's a surprising consensus in orthodox economics on what makes land and property valuable, and it's not the property owners. A $5

million or $200 million apartment, say, overlooking Central Park, is worth that much because it overlooks Central Park, because of our parks and subway systems and public investments and its proximity to Wall Street, and because this is a productive and unique city that millions of people make run. In other words, urban property value is socially produced, and precisely for this reason, it's entirely reasonable that those who can most afford to, those who not only own a $5 million property but own more than one, should return that value to the public that helped create it. Unfortunately, our current property system does the exact opposite. We tax the wealthiest the least. The city's own reform commission found that a $500,000 home could face more than three times the effective tax rate than a $5 million one. I ask you, what kind of social contract does that reveal? And is that the social contract that you want to uphold? New Yorkers know what they want. Two recent polls found that roughly 2/3 of New York City voters support higher taxes on millionaires. And economists also agree, land taxes do not dampen economic activity. The rich are the residents least likely to leave New

York, according to the Fiscal Policy Institute, and even The Economist called this a gentle tax. They also know that an economically successful city requires public investments rather than a few slightly wealthier millionaires. I should also add that I'm a little shocked that the foundation of local public investment, property taxes, is being referred to in these proceedings by city councilors as a hit list, a scarlet letter, a security threat, or a form of eminent domain. I'm sympathetic to the concerns over difficulties over implementation. I myself have spent months observing assessors and bureaucrats who implement property taxes as part of my research. I also know that if this tax is blocked or significantly delayed because of the minutia of the rollout, which perhaps does have problems, New Yorkers will see these hurdles exactly for what they are— ideologically motivated and meant to protect private wealth. If we want New York to remain a city for teachers, families, and everyone else who makes it run, not simply a place to store wealth, we need a tax system that reflects that social contract. I

expect the City Council to stand by that and to support the pied-à-terre tax.

CHAIRPERSON BREWER: Thank you. Next?

DAVID BACKER: Hi, Council. My name is Dave Backer. I'm a parent of a six-year-old who's going to first grade at PS 20 in Brooklyn, and a nine-month-old who I'm hoping will go to 2K after that. I'm also a co-op owner, and I was excited about the rollout of this surcharge. I didn't feel fear. I didn't feel nervousness. I didn't feel any panic at all. I was excited about it, and I was excited about it for a lot of the reasons that the last speaker just said. I happen to be a professor of school finance as well, and I know that the real problem here is not necessarily the rollout, but the way that the property tax system is structured, and the way in which our kids' schooling and childcare is all reliant upon it. This real problem, 43 percent of the money that goes to our kids' schools and childcare comes from revenues brought in from property. Now, we have $1 trillion of market value in this city that we could tax, but we're only at about a fifth of it in what we actually assess. We're falling short there.

Single-family homeowners, as the last speaker just mentioned, actually already pay 2.4 times less in their effective tax rate than multifamily dwellers. So my partner and I actually moved out of New York City. We went to a more affordable city. We had our daughter, and when we heard that pre-K was coming out, we were like, wow. We looked at the numbers, and it turned out we could save $60,000 a year by moving back to New York City. So we moved back. We came back. And we want that for everybody in this city, and we want to keep building on it. I don't know. I think the wealthy homeowners here doth protest a little too much, and I really hope that this debate, quote unquote, actually doesn't get in the way of much-needed revenue in the city. Thank you.

CHAIRPERSON BREWER: Thank you. Next?

LAURA PENARANDA: Good afternoon, Chair and members of the City Council. My name is Laura Penaranda, and I'm here today as a worker, a co-op resident, and a public sector union member to speak in support of the pied-à-terre tax. Today, we stand under the emblem, a government of the people, for the people, by the people, a principle which should

hopefully inform today's hearing. I am a full-time CUNY staff member, a member of the PSC-CUNY Union, a researcher at the CUNY Research Foundation, and a CUNY alum. Everything I am, I am thanks to CUNY and public education institutions of New York City. CUNY, as well as many public services, are the infrastructure that makes private and common wealth possible. The question before us is simple: who should pay for that infrastructure? I believe those who have accumulated the greatest wealth should contribute the greatest share. That is not an attack, contrary to what we've heard today, on ordinary homeowners. It is a recognition that housing should be a place to live, not simply another vehicle for accumulating and parking wealth. As a CUNY worker, I see every day what public investment makes possible. CUNY is one of the great democratic institutions of New York. It gives working-class New Yorkers like myself access to education, research, economic opportunity, but higher education has been asked to do more and more while operating under enormous financial pressure. And CUNY is only one example. Our public institutions are the common wealth of the

city. We should reject the idea that government must constantly make working-class people choose between the services that allow for dignified life and other basic necessities. The wealth exists. Today's City Council hearing asks, are we visionary, bold, and courageous enough to organize our tax system so that wealth contributes to the society that produces and sustains it? I urge the City Council to stand with public sector workers and stand with CUNY. City Council, stand for the principle that the wealthiest among us should pay their fair share. Thank you.

CHAIRPERSON BREWER: Thank you very much. We always stand with CUNY. I want you to know. But also, many of us, the Speaker and certainly both co-chairs and many of the members support this tax. I want to be very, very clear. And the Speaker was the one who suggested it initially to the state. So it's the tax we are for. It's the implementation that has some challenges. But I just want to make that clear. Some members may disagree, but I want you to know that Council Member Lee and I in particular support this tax, just so you're clear. Okay, I don't think there's any questions, so next panel. Thank you all.

Lucy Sexton, Ed Lee, June Barwick, and Ken Fishel. Go ahead and start. Lucy, you want to start?

LUCY SEXTON: Hi, my name is Lucy Sexton. I lead New Yorkers for Culture and Arts. It is a coalition of hundreds of artists and cultural organizations of all sizes across the city. I am here to talk about this, the impact of this law's effect on artists. I want to also start by saying that I have long supported and been in favor of a pied-à-terre tax. I lived in SoHo for some time, and it was distressing to see that neighborhood with dark windows at night. No families, no people living there. It really hollowed out the neighborhood and skewed those prices. So while I'm in favor of it, I'm asking the City Council to address one particular part of it, which is that the artists who moved into SoHo and other places in the '70s and transformed industrial spaces were at threat of that they shouldn't live there. So the City Council came up with the joint living and work quarters assignment for those units, which meant that they were going to work there, they're going to rehearse there, they're going to make— do dance class there, and they're also

going to live there. Well, right now I have a member of my organization who— his parents were very famous postmodern dancers, David Gordon and Valda Setterfield, established their loft in SoHo in 1976. They died recently, and he now owns it. He is continuing to use it as he has for 40 years as a place to— for his theater company to rehearse. He gives it out at low to no cost to dance companies for dance classes, for performances. It is in heavy use. He got a notice that he has to pay $90,000. He makes less than that in a year, so this will wipe him out and force him to sell the unit if it goes through. I'm asking that the Council look at the joint live and work quarters, JLQUA, whatever it's called, and make a special exception to say yes, if it is being used for nonprofit art use, if it is being actively rented and rented, particularly rented at below, much below market cost to artists to live, work, and create work in, that that should also be a reason that they should be able to hold on to that unit. The City Council stepped in the '70s to protect them and make sure they could stay there. At this time when artists' housing and artists' workspace is in

woefully short supply and we are barely able to make a living and live here. Do everything you can to protect spaces that must— they must be able to prove it, but are still being used for nonprofit arts production and rehearsal. Thanks.

CHAIRPERSON BREWER: Thank you very much. Next?

ED LEE: Hi, how's it going? My name is Ed Lee. As a Republican, I don't take a knee-jerk reaction to everything Mamdani says and say that it's bad. I'm with the pied-à-terre tax in spirit because we know that the rich, you know, use tax shelters like capital gains and dividends and pay proportionally less than the rest of us, and I'm for fair treatment. By the way, Trump has done significant work to prevent people from hiding money overseas, but this tax unfairly targets people who choose real estate versus other industries such as securities. Family assets will be impacted. Also, what are the taxes spent on? Is this really for the little people, or is this just one set of aristocrats attacking another set of aristocrats, but now with fancy marketing language? I see a wolf versus a wolf

in sheep's clothing, and the wolves in sheep's clothing honestly spill more blood. I'm homeless right now because the not-for-profit system picks winners and losers. I worked with the longest wrongfully incarcerated man in New York State history, Otis Johnson, the parents of Gamze and Trone, whose death caused the resignation of CEO and Chair of NYCHA, Gregory Russ, a disabled victim of deed theft, terrorized by a tax-sponsored anti-violence group who is here speaking later today. I have extensive documentation of city agencies and funded not-for-profits not just ignoring my coalition, but actively raising barriers and interfering with our quest for justice, sometimes even violently assaulting members of my coalition with no acknowledgement or consequences. Private universities don't pay property taxes while they destroy the financial futures of our children. Maybe they should be considered to pay property taxes. What prevents this from happening? A 2016 Inspector General report found that CUNY spends significant resources on outside contracts, including for lobbyists engaged in questionable and seemingly

redundant tasks despite also employing its own central and school-based government relations staff. PSC, a highly visible electoral action group, which is primarily unionized college professors, is asking for more federal research dollars while Jeff Parsons, who was the driving force behind gender-neutral bathrooms, was having cocaine parties and sexually harassing staff and misusing federal research dollars. I hold New York City's only third-party independent candidate debates, and every participating candidate in the 2025 election cycle has asked for a public meeting between myself, Corey Edens, and the CUNY chancellor, as well as Hunter College president. Mr. Dinowitz, I would appreciate your help on that. City agencies and NFPs have consistently let us down. Before the city raises new taxes, the city should refocus their efforts on fixing the broken and corrupt system that pays homeless shelter executives more than the U.S. President. My fellow homeless people are dying protesting the violent and dysfunctional self-serving city services. Gavin Citron's parents have left this city. They're now in Florida. Disgusted by the lack

of care for their issues. Thank you for listening, and God bless. I know there's a lot of well-meaning stuff behind this tax, but you're not spending the money right.

CHAIRPERSON BREWER: Thank you very much. Next?

JUNE BARWICK: My name is June Barwick. I'm the treasurer of a small self-managed building in Nolita. We have four units. It's unclear, like it is for many people, which of those will have to pay the tax. But they each will have to pay, if they do have to pay, almost as much as the whole building pays, which is completely unfair. Part of that- most of that, is due to the rather unusual decision made that somehow co-ops are valued at only 20 percent of single-family homes. We get values on our property taxes, on the notice of property values and so on, and we know roughly what those values are. And there is no way that our building, despite being a beautiful landmark, is worth $44 million, which is what the de facto jump of five times for a co-op building for each unit. I have a couple problems about the tax, most of which I suspect nothing can be

done about. The idea of a retroactive tax where it's kind of an unhappy surprise that something that happened last January is what defines what has to happen to you next year. The second thing is it's somewhat of a surprise to have a real estate tax being based on market value, not assessed value, both in New York City and elsewhere. But the third thing, and the thing that might be actionable in some way by the City Council or by the Department of Finance, is that there ought to be some kind of exemption that enables a co-op that is worth theoretically by market value between let's say $1 million and $2 million, which sounds like a lot of money, frankly, to me it is a lot of money, can be shown to have a specific market value, and once they have that, they can be put into the class of single and two and three-family homes. We live in co-ops. They are single-family homes. Why there's a discrimination between us and the other single-family homes is really kind of beyond me. Most people who live in a co-op or a condo have a reasonable idea of what their market value is, and anybody who's either the treasurer or the property manager of the building knows what the

market— the assessed value of these buildings are, and I think those should be used. Thank you.

CHAIRPERSON BREWER: Thank you very much. Next?

KENNETH FISHEL: First of all, I'd like to thank the committee very much for holding this hearing, and I'm wondering before I even give my testimony, what power does this committee even have to assist in the implementation of this tax? Can anybody answer? I mean—

CHAIRPERSON BREWER: [interposing] We have oversight responsibility.

KENNETH FISHEL: Yes.

CHAIRPERSON BREWER: And certainly the fact that you're all here gives us even more ammunition to question the implementation. So it's a process, but we are going to get answers to the questions.

KENNETH FISHEL: So I'm— thank you. I'd like to relate to you two cases today. The first case is from my own apartment. I live at 733 Park Avenue, floor 29. I've lived in this apartment full-time since 2018 and have always filed New York City and

New York State tax returns. And I'd like to add for the record that I pay a ton of tax. When I was in the elevator going to my apartment, I just happened to bump into a neighbor. He informed me that he had received my non-primary residence property surcharge notice. I was shocked. He showed me a copy and I took a cell phone picture of it. My apartment was clearly listed on the notice. However, my neighbor's name and his wife's name were on— were the addressees on the notice. The post office had delivered the notice to his apartment. If I hadn't run into my neighbor in the elevator that day, I never would have even known about this matter. So I gathered my documents to prove my primary residence, such as my shareholder certificate, my tax returns showing my address, and my driver's license. When I went into the website, at first the website would not let me proceed, claiming incorrect PIN. I tried several times and it would not let me proceed, so I put it aside and I decided to give it a try another day. Yesterday I tried again. This time the PIN worked. However, my apartment was marked as filed and it would not let me proceed or submit any documents. At this point, I have no way of

objecting to the non-primary residence notice. So I think that this is an— that this entire process has been completely botched. Am I not entitled to due process? Am I just supposed to pay a tax of $58,479 without at least having an opportunity to rebut it, to prove that I live in this apartment? That's case number one. Case number two relates to my son's apartment. In 2012, I established a trust for the benefit of my daughter and my son. We purchased an apartment right down the street from me for my son to live in it, and he lives there full-time. He got the same notice. Now, under the law, the rule is that if there is— if you are the sole beneficiary of the trust, you can contest that. But if there are two people that are beneficiaries, you can't contest it. Now, in this instance, unfortunately, my daughter passed away, so we will be able to contest that. But it's such an unfair thing. You know, we set up that trust in 2012. Here we are in 2026 with a law that applies prospectively, not retroactively. It's just so unfair.

CHAIRPERSON BREWER: We will be glad to offline to set you up with somebody at Finance if you

want, particularly for case one, and if you need for case two, we'd be glad–

KENNETH FISHEL: By the way, I did file a complaint with Finance and they've I checked my cell phone while I was waiting to testify today, and they replied a very truncated answer. All it said was, withdraw the prior submission and resubmit. Now, I didn't submit the first submission.

CHAIRPERSON BREWER: Okay, but we'll be glad to help you with that, just so you know. All right, thank you very much.

KENNETH FISHEL: Thank you.

CHAIRPERSON BREWER: Thank you. Clara Calvo, Brahvan Ranga, Jamell Henderson, and Kay Pressley. Go ahead. Thank you for being here. Whomever would like to start.

KAYDIAN PRESSLEY: Yes. Hi. Good afternoon. My name is Kaydian Pressley. I am a resident of New York City. I'm here because my case is relevant not to taxes, but because it is with the Department of Finance under the Deed Theft Office. I've lived in my building for over 11 years. Seven years ago, an individual came into the building with

no paperwork, no authority, nothing, and took over the building and has harassed and beaten and did everything under her power, claiming that she is a former NYPD employee. Her name is Christine Jordan. She has done nothing but domestically terrorize us in the building, shutting off electricity, shutting off water. I just got back electricity two days ago. I was without electricity. I have taken this matter to the DA's office. Alvin Bragg has the case. Courtney Vance is— and the case has been here, Gale, since you were in Manhattan Borough President, and nothing has been done.

CHAIRPERSON BREWER: That's 100 years ago.

KAYDIAN PRESSLEY: It's 100 years ago, yes ma'am. But the good thing is that we want an investigation going because I have been assaulted, my sons were assaulted and arrested, and these people were given protection. Now they have warrants out for her, she's never been arrested. This is my face, a concussion. They kicked in the door and busted up my face. I ended up three days in the hospital. This is domestic terrorism, okay? I filed with the Division of Human Rights Office, and finally we have a case

number 102294147, and it says here on July 27th, 2023, Kaydian Pressley filed a complaint with the New York State Department of Human Rights charging the above, which is Christine Jordan, the respondent, with unlawful discriminatory practice relating to housing because of age, creed, origin, disability, etc. And then after the investigation, the division has determined that in its jurisdiction in this matter, there is probable cause. There's probable cause exists to believe that the respondents have engaged in or are engaged in unlawful discriminatory practice that, you know- so they have been found guilty. And I would like for this committee to look into the deed theft because this individual has no right over this building and it's still going on. I just got back electricity. I have a disability and this has affected my entire life.

CHAIRPERSON BREWER: Okay, thank you very much. It's not relevant, obviously, to the topic, but deed theft is a big issue for this council-

KAYDIAN PRESSLEY: [interposing] Yes.

CHAIRPERSON BREWER: So we will be in touch.

KAYDIAN PRESSLEY: Yes, thank you, Gale.

CHAIRPERSON BREWER: Thank you, sir. Go ahead.

KAYDIAN PRESSLEY: Thank you to the committee. Thank you very much.

JAMELL HENDERSON: Good afternoon, Chair Brewer and the members of this Council on this important committee. My name is Jamell Henderson, and I am honored to be of service as a New York City Regional Council Chair of Citizen Action of New York, which is a proud grassroots organization that is fighting for the everyday New Yorkers, as well as building community and political power. Citizen Action of New York supports the fair and timely implementation of the pied-à-terre tax and urges the council to support the city's efforts to ensure the tax is implemented. As you all know, New York State suffers from the greatest economic inequality in the entire country. The data shows it time and time again. And despite having one of the largest economies, New York State has a long history of underinvestigate— underinvesting in state programs and services, which has disproportionately hurt

working-class communities, more explicitly Black and Brown communities. New York State is home to the highest concentration of wealth in the country and the deepest economic inequality. New Yorkers worth over $30 million, which is fewer than 0.4 percent of the population, collectively own $6.7 trillion in wealth. In this particular tax, we are focusing on the second home, not the primary home, and this particular revenue can bring up to $500 million. Think about the youth and young adults that are getting ready to go back to school that have little to no after-school programs. Think about our public schools in our communities that are still waiting for funding to help improve the lives of our young people. Think about our seniors who are no longer looking for trips and food, but looking for prescription drug policies and resources to help them to get by. Let's think about the infrastructure of those who, like myself, live in NYCHA and are proud to live in NYCHA and are part of the moving, shaking economic foundation of this city. Let's think about all of those who are proud immigrants who call this city home and are working tirelessly to make sure

that they are able to make ends meet. This tax revenue will help the everyday New Yorkers that are in your district, and I want to close with this: We, the people of New York, and members of the council who you represent in us, you cannot allow the few millionaires and billionaires in our city to dictate over the 8 million-plus everyday hardworking educated people of this city. We're tired of it. Please stand with the people. Thank you.

CHAIRPERSON BREWER: Thank you. Next?

BRAHVAN RANGA: Can y'all hear me? Great. Thank you so much for your time. My name is Brahvan Ranga. I'm the campaign manager with Invest in Our New York. We are the statewide coalition of over 80 organizations representing thousands of New and millions more who support our issue, fighting for state-level legislation to tax the ultra-wealthy and most profitable corporations in order to fund our communities. This year, we campaigned for progressive revenue, and while we did not win everything that we wanted or New Yorkers needed, we supported and continue to support the pied-à-terre tax as an important step forward to generating the revenue

needed to maintain the city's fiscal health and enact new programs to address the affordability crisis. This tax on second homes would only affect the wealthiest homeowners, many of whom do not live in the city. It taxes second, third, and fourth homes valued at over $5 million, which would raise $500 million to fund critical programs from housing to schools to sanitation. The ultra-rich are making more money than ever before. Income inequality is continuing to widen, and New York remains the most income unequal state in the country. And these ultra-rich residents of our state just received a $12 billion annual tax cut from the federal government on the back of slashing our healthcare, our food assistance, and our supportive housing. The ultra-rich can afford to buy multimillion-dollar second and third homes while the rest of us are struggling just to survive. Most New Yorkers can't afford their rent, their groceries, their childcare, or their utility bills. And we know we deserve better. That is why we have built so much momentum for taxing the rich to keep our existing government services open and fund Mayor Mamdani's wildly popular

affordability agenda. But the rich are fighting back. They are launching bad faith attacks on pied-à-terre weaponizing the courts, taking advantage of this hearing process to wrap-up opposition and criticizing its implementation. They are doing this because they do not have valid criticisms of the substance of the law, and they know they are losing the political battle. Poll after poll shows that supermajorities of New Yorkers support taxing the rich to keep our existing services open and enact new ones to address the affordability crisis. Mayor Mamdani was elected with a mandate to enact his affordability agenda by taxing the rich. I am heartened to hear that the majority of the Council support this tax. I urge you to not let this hearing process be taken advantage of by a few bad-faith actors. I urge you to implement the tax with all due haste and to be effective governing partners with the Mayor so we can enact his affordability agenda, keep the city's fiscal health intact, and ensure New York is a place where all of us can thrive. Thank you.

CHAIRPERSON BREWER: Thank you very much, and thank you, this panel. And next is Jack Bollenbach and Robert Bertagni. Sorry. Go ahead, sir.

ROBERT BERTAGNI: Can you hear me? Thank you, Council Member Brewer, for convening this hearing. My name is Robert Bertagni. I have come here to talk about the implementation of the pied-à-terre tax. My wife and I purchased our home 30 years ago. We raised our family there. We have filed taxes as New York City residents for decades. My driver's license, voter registration, tax records, and property records all provide readily available evidence that we are New York City residents. Yet last month, I received a letter from my government telling me that my family will be subject to over a $52,000 annual pied-à-terre tax. Unless I applied for an exemption and convinced the city that the tax did not apply to me. The letter effectively said, we presume you owe us this annual $52,000. Now prove that you do not, and it will be at the sole discretion of the executive branch to determine whether you should pay the tax. Every New Yorker should be appalled by this underlying principle. The

expansion of socialist state power rarely begins with government announcing that it intends to control the lives of its citizens. It happens incrementally. Government assumes a little more authority, citizens surrender a little bit more privacy, and the burden gradually shifts from the government justifying its actions to citizens being required to justify themselves to the government. Like this intrusion, each new intrusion is then defended as reasonable, necessary, and insignificant. That is precisely why this episode troubles me. Yet even as the coercive nature of this rollout became clear, the Mayor has continued to defend it. His willingness to defend and encourage this kind of prototypical socialist government intrusion should be— should alarm each and every one of us. This is not simply about whether one supports or opposes an anti-free-market enterprise pied-à-terre tax. It's about whether New Yorkers are prepared to accept an authoritative government that is allowed to selectively target certain citizens and requires them to prove that the government should leave them alone. I urge the City Council to provide the essential check on the Mayor and ensure that this

type of outrageous government intimidation of its citizens does not happen again. Thank you for listening, and thank you for staying.

CHAIRPERSON BREWER: Okay, thank you very much, sir. I appreciate it. Now we're going to go to the Zoom people who are testifying. Elizabeth Valdez is first, followed by Ryan Foley. Elizabeth Valdez, go ahead.

SERGEANT AT ARMS: You may begin.

ELIZABETH VALDEZ: Good afternoon, my name is Elizabeth Valdez and I'm an advocate with Brooklyn Center for Independence of the Disabled, a disability-led independent living center working with people with disabilities to live the fullest life possible in the community of their choice. We support increasing tax revenue to fund the essential services, supports, and systems used by people with disabilities and others here in New York. We especially support innovative progressive taxes that can bridge New York City's budget shortfall and support programs that will benefit disabled New Yorkers and all of us. The tax being considered today would raise $500 million in desperately needed

funding by taxing the residences of those who can afford to contribute to our society social safety net. As you know, the federal government through H.R. 1 slashed trillions of dollars from the social safety net in order to deliver the wealthiest Americans massive tax breaks. So the tax under discussion today would allow New York City to take back a small portion of that lost revenue to benefit programs that will help the rest of us. Funding from Albany has been also been used to support the expansion of childcare for two- and three-year-olds. Early childhood programs here already have made it easier to raise children in this tremendously expensive city, and the Mayor's program expansion has already directly benefited disabled children who need additional services and, of course, relieved their parents as well. This is one key step towards making New York City a fair, better place to live for everyone. I would be remiss if I didn't note that the city and state both face real challenges in delivering home care and health coverage to all. Home care workers struggle to make ends meet, stressed family caregivers provide hours of unpaid care, and

people with disabilities struggle to find care that they need. The home care crisis only continues to grow. As our population ages and more and more people need long-term care. At the same time, over a million New Yorkers will lose their health insurance by next year due to Medicaid cuts in HR1. We're expecting even more cuts to healthcare in the next year's state budget. You may find yourselves facing other tough choices about taxation, but ultimately this comes down to priorities. Someone will pay for these budget gaps. Will it be those who own high-priced second homes in New York City, or will it be home care workers, family caregivers, older adults, and people with disabilities paying through cuts to services, hours, and wages? Implementing the tax being considered today quickly is a significant first step addressing the budget gaps.

CHAIRPERSON BREWER: Thank you very much. Thank you very much. Thank you very much. Next, we're going to go to Ryan Foley, sponsored— followed by Shannon Richter [sp?].

SERGEANT AT ARMS: You may begin.

RYAN FOLEY: Thank you and good afternoon. My name is Ryan Foley. I'm senior counsel at the law firm Starr Associates LLP, where we represent sponsors and developers of condominiums across the city. Is this an initial point or two points? I just— I want to raise— mention two things before I get into the substance of my message. One, I would like to just put the record to reflect a rejection of the characterization that people here today spending two and a half hours waiting to talk about the utter failures of the implementation of this tax are bad actors. I will set aside and I will not focus any of my time on the substance of the policy, which I do have views on, but that is not the purpose of this hearing. So to characterize anyone coming with concerns or criticisms of the implementation as bad actors is just simply false. Two, before I get into the substance, I just want to also mention that I've heard a lot, even from this body today, about everyday New Yorkers versus wealthy or second, third homeowners in New York. Really, again, that is irrelevant. Every New Yorker deserves a fair taxation implementation. So I want to now dive into the issues

that we have seen at our firm. One is the letters- the notice letters that the department sent were sent to everybody. They were the same letter. It's important to recognize the statute contains two entirely different concepts under the definitions. There is covered property and there is excluded property. Now, when you talk about covered property, the primary residence exemptions and some of the things we've heard today come up. What we haven't heard at all today is excluded property. And under Administrative Code Section 11-3201, there's exactly two categories of excluded property under the surcharge. One, buildings that don't have a TCO or a CO. And two, the focus of my comments is unsold residential units, condominium units that are subject to the sale under an offering plan with the Attorney General. Those properties should never have made it on the list in the first place. They're easy to track. They are registered under the condominium declaration filed with the city, the City of New York, and ACRIS has all of the deed transfers. So anything that would have appeared as new development that has not had a deed transferring should never

have made it on the list anyway. But it didn't matter. All of the letters that went out went to everybody, including the sponsor entities that hold the unsold inventory, as well as buyers of the new development, that as of January 5th, 2026, the date on which the surcharge was fixed, that would have been excluded property. So, A, the fact that everybody, or people that purchased or hold unsold condominium units, still receive these notices is incredibly–

SERGEANT AT ARMS: [interposing] Thank you. Time expired.

CHAIRPERSON BREWER: Thank you very much. Thank you. Well, next we're going to hear from— looks like Shannon Richter and then Mubarak Thiam.

SERGEANT AT ARMS: You may begin.

SHANNON RITCHEY: Hi, my name is Shannon Ritchey. I've lived in New York City for nearly 20 years. I'm raising my son here, and I fully support a pied-à-terre tax. It feels a bit strange to even need to write and speak on this issue when the wealth disparity in our city is so apparent. You all see it every day. As a public school teacher in Brooklyn, I

had students who lived in family shelters learning alongside students who lived in waterfront penthouses. Some kids would travel to faraway island resorts during winter break, while others I'd send home with extra snacks, even gloves and hats that I swiped from last year's lost and found, because I was worried a week away from school would mean they'd go without basic necessities. These disparities, at least in the area where I taught and I still live, are only becoming more and more glaring. And we're seeing them here as people testify, complaining about the second homes that they own here in New York City and having to pay slightly more in their taxes. I'm not going to give you my sympathy. Towers are going up along the river, sitting empty. Luxury condos sell for millions and no one actually lives there. Maybe I'm nosy, but it's hard to miss that the new big glass boxes behind my apartment, with soaring ceilings and tons of natural light, sold for eye-watering prices and now they just sit empty. Occasionally someone will come to clean, draw the curtains, but it's an insult that I witness daily as my husband and I search rental listings, wondering

how much longer we can afford to live in this neighborhood that we've called home for decades. A pied-à-terre tax feels like an obvious way to fund our most necessary public needs. The rich will barely notice the difference. At most, it will be a footnote from their tax consultant. The children who can now attend a well-funded after-school program instead of riding the bus for hours until their mom gets off work, they'll notice. The teacher who doesn't need to cut into her food budget to buy pencils and notebooks for her students who came to the first day of school with empty backpacks, she'll notice. The proposed $500 million will change so many lives for the better. We voted for this, we canvassed for this, and our city deserves this. Please stop platforming the ultra-wealthy and those who can be bought by them, and listen to the actual New Yorkers who live here and make this city what it is. Thank you.

CHAIRPERSON BREWER: Thank you. Mbacke Thiam and then Alison Klemp.

SERGEANT AT ARMS: You may begin.

MBACKE THIAM: Hello everyone, my name is Mbacke Thiam. I'm the housing and health community

organizer at the Center for Independence of the Disabled New York. We advocate for people with disabilities in the five boroughs of New York City. And we thank you, Chair Lee. Thank you, Chair Brewer, for giving us the opportunity to testify today. So we strongly support the pied-à-terre tax surcharge, and that is why we appreciate the city's effort to implement the pied-à-terre tax surcharge on rich homeowners with a couple of house to address affordable and accessible housing challenges. It is very disturbing to see that the Mayor's administration did not show up to reply to our questions. I'm asking the Mamdani administration to establish a solid percentage for disability housing investment using pied-à-terre revenue. The city should increase the number of affordable and accessible apartments designed and constructed for people with mobility, vision, and hearing issues. The current policy requires seven percent of certain HPD/HDC financed affordable housing units to be set aside for people with disabilities. The administration should examine whether the increased percentage set aside for people with disabilities is

sufficient given the housing needs of New Yorkers with disabilities. We are asking the city to collect reliable data on accessible units vacancies and applications to identify the unmet demands and then use that information to increase the percentage. Regarding the transparency of the implementation of pied-à-terre surcharge, we hope that the administration will be fair and just in imposing all the wealthy homeowners who mostly do not live in the secondary home to pay their taxes without any exception or and/or favoritism. As it is projected to bring in more than $500 million annually, we are urging the city to strictly dedicate this revenue in more affordable and accessible housing for people with disabilities. Thank you. I will submit my written testimony. I know my time is very limited. Thank you.

CHAIRPERSON BREWER: Thank you very much. Alison Klemp, then CLJ, and then Valerie Mason. Alison Klemp?

SERGEANT AT ARMS: You may begin.

ALISON KLEMP: Hi, my name is Alison Klemp. I'm a new parent living in Brooklyn. I have

lived in New York City for 15 years. I met my husband here, and we are now raising our eight-week-old son here. I want to be clear about why we're here today. It's not because a list of already public information was aggregated and published online. It's not because 17,000 people who are lucky enough to own high-value homes have to upload a PDF. Anyone who has tried to apply for unemployment, food stamps, WIC, or Medicaid knows the many hurdles, countless hours on the phone, and dozens of documents to provide eligibility for services they need to survive. So I believe in every homeowner's ability to upload that PDF. You know, once upon a time, there was a big book that got sent to everyone that listed people's address and phone number. So this pearl clutching around the list feels quite silly. But these concerns around the list goes to show how wealth inequality is harmful to even those at the top. I propose that taking measures to address that inequality would go a long way towards relieving the haves of this anxiety. We are here to talk about a tax on second homes worth $5 million or more for non-residents, so I'm not sure why any New Yorker, regardless of their tax bracket, would oppose

this unless they've been committing tax fraud by claiming residency elsewhere to avoid New York income taxes, for which I have no sympathy. None of this applies to average New Yorkers. Most average New Yorkers are renters, and most of us are rent burdened. This tax will raise necessary city revenue from people who use our city as a playground and keep valuable excess real estate as a tax shelter or an asset to profit from. As a new parent, I am navigating a lot of uncharted territory. We are preparing to go back to work and figuring out how to incorporate childcare costs, which is nearly a second rent payment, in an albatross— is an albatross around our necks. Childcare costs are a severe burden to many New York City families, which is why universal healthcare was such a motivating factor in last year's mayoral election. The revenue generated from this pied-à-terre tax or surcharge could go towards making universal childcare a reality, which would lift a huge burden from working-class families. If we are forced out of the city because of costs, we don't have a second home, luxury or otherwise, to retreat to. As a millennial who will likely never be able to

own a home, let alone multiple homes, in New York City or elsewhere, I urge the Council to prioritize the millions of poor and working-class New Yorkers whose survival will be made easier from the money raised by the surcharge. Thank you.

CHAIRPERSON BREWER: Thank you. Mr. Johnson, and then Valerie Mason.

SERGEANT AT ARMS: You may begin.

CHRISTOPHER LEON JOHNSON: Yeah, hello, my name is Christopher Leon Johnson. I oppose the rollout of the pied-à-terre tax. Let me make this clear that this tax, nothing is nothing but to make sure that these corrupt nonprofits and organizations like the Working Families Party and DSA keep on getting paid. You have a mayor that is penalizing success, and that's not right. If you work your butt off, you deserve every fruit of your labor. This is a mayor that does not believe that people that are successful should reap the rewards of their success. The problem with these organizations that was outside City Hall Park this afternoon is that they're professional parasites. They're professional leeches. They're professional grifters that only care about

getting paid through donations. And they don't know— they don't understand about doing real work to get a paycheck. They just believe in stealing, stealing, stealing. So as I said before, this is nothing but a scam done by these nonprofits and the DSA just to line their pocket. This doesn't affect a person that's on Section 8. This doesn't affect the person that's on food stamps. It doesn't benefit them. At the end of the day, that's the only point. No matter what, even this tax was not implemented, EBT and Section 8 will always be supplied because that's political suicide for any politician in New York City. So no matter what. But this is— it's just another scam. And shame on the City Council for supporting this tax. And I appreciate every member of the City Council that is opposed to this tax. And like I said before, this tax should not be implemented. I hope that in a high court that they say that this tax is unconstitutional. It's a real unconstitutional tax that penalizes people, and it really hurts people from really doing business with the city. Because why do you want to own two, three homes where you're being taxed to hell for owning

two, three homes? Like I said before, if I want— if I'm successful, I deserve to be able to buy two, three cars. If I'm successful, I'm able to buy two, three phones. What's next? I'm being penalized for buying- having two, three phones? This is ridiculous. We have a mayor and these nonprofits like WPDSA just jealous and salty at people who are just making money, who just mad at the next person. Instead, they pocket watching. That's what they doing. They need to stop pocket watching. And shame on the City Council for allowing the pocket watching to happen. And a lot of these guys, they're not men because men don't pocket watch. And that's what needs to stop happening in 2026, is that this would be the anti-pocket watching year in this administration. But this administration is so worried about pocket watching instead of finding a way to line the pockets of people directly. And just because you're part of— just because a nonprofit is lining their pocket doesn't mean that your pocket's being affected. So this is getting— this is ridiculous, man. I don't like it at all. I'm disgusted by this whole process. I do not support this at all. I guess I believe in a

free capitalist commerce. If you work, you get your— you work, you eat. Like the Bible said, I know a lot of people don't believe in the Bible, a man don't work, a man don't eat. And that's the problem with the cities, that they are awarding lazy people. They want to award lazy people while penalizing people that bust their butt and do the work to get food. So thank you.

CHAIRPERSON BREWER: Thank you. Thank you very much. Next is Valerie Mason.

SERGEANT AT ARMS: You may begin. Thank you.

VALERIE MASON: Good afternoon, Chair Gale Brewer. I'm not here to talk about the tax, per se. I'm here to talk about the fact that this is an oversight committee and that no mayor or its- or his commissioners are above the law and they should come and testify. And the Council has subpoena power. I know the statement that you read, Chair Brewer, said that they would come after August 30th. I didn't know that people had the right to tell you when they were going to appear to talk about what they're doing. I think that this sets an extremely bad precedent, and

I would hope that the City Council does everything in its power to make sure that the administration is responsive to any oversight inquiries that you have. On an additional note, I echo what was said very early on in the public testimony today about how co-ops are going to be able to respond to this. I think this all should have been part of the initial hearing as to when the tax was being implemented. I do know people who are scrambling now to show that their properties are either investment properties. It's hard to ask a tenant to show you proof of an electric bill or a resident, a residence, when it's not in your lease and they're not compelled to provide that kind of information. So the fact that this goes back to 2025 seems rather like a retroactive tax. I know that this was deemed necessary because we're in a fight— we had a $500 million budget gap, but I think that we should be all New Yorkers and we should not be— the testimony here is really disheartening today. It shows that people are trying to fan the flames of discord amongst people who live in New York City, and that should not be. There were 900,000 people on that list, many of

them erroneously. And that should not be how the government in the greatest city in this country operates. And I'm calling for more transparency and that the Department of Finance should come forward and stand behind what it did. And if they made a mistake, they should be able to say it out loud. And New Yorkers should be able to rely on their government. And I just think this is an extremely bad precedent that's being set by this administration. Thank you very much.

CHAIRPERSON BREWER: Thank you very much. And now Chair Lee is going to read a statement from one of our colleagues, Council Member Ariola.

CHAIRPERSON LEE: Great. So, thank you so much. This statement is from Council Member Joann Ariola because she could not be here and we do not have quorum for her to say it over Zoom. So I'm reading it on her behalf. Thank you, Speaker Menin, Chairs Brewer and Lee, for hosting this hearing as well as all who have come to testify. As mentioned by my colleagues and many of those who testified, the Department of Finance published a database covering roughly 900,000+ properties' valuations. The city

says the underlying property information was already public, but I argue that compiling the list and making it easily accessible subjects the list of people who appear to be potential tax targets. That creates substantially different privacy and security concerns, it can incorrectly label people as tax cheats or wealthy targets. Additionally, this doxxing may be misinterpreted by the public into believing that if this person is on the list, it must mean they own the pied-à-terre tax– they owe the pied-à-terre tax. That's potentially damaging to the integrity of innocent homeowners. Publishing the names and locations of people associated with, in some instances wrongly identified as very expensive properties can create obvious concerns such as burglary and targeting, stalking or harassment, political intimidation, scams, identity theft, unwanted media attention. It also puts the burden of proof on the homeowner and will cause them to incur legal costs to prove what they already know— the home listed is their primary home. The disrespect that the Mayor has shown the Council, the committees, this hearing, and the residents of the city by not showing

up tells me that they could not defend their actions. So again, that's a statement that I just read from Council Member Joann Ariola for the record. Thank you.

CHAIRPERSON BREWER: Thank you very much. And now we're going to, as quickly as possible, read the questions that would have been asked of the Department of Finance and the Tax Commission. I'm going to start with number one, and we will go back and forth, Chair Lee and I. So the public list on the website, which we all heard about, has 900,000 residential properties. The ones below the market value criteria established by state law, while the list of properties that received notices included 17,000 properties, as we have heard. And these are the questions. Why is the list of properties receiving letter notices and the published property list different? Is the published property list information similar to the publicly available property tax assessment roll data that Finance publishes as required by the state property tax law? What are the reporting and public notification requirements based on state law? What are they? State

law requires the Phase 1 market value records of covered properties to be open for public inspection, while separately requiring Finance to make initial non-primary residence determination for properties that meet the applicable market value thresholds. Can you explain how finance interpreted and implemented these two separate requirements? Does Finance believe that its current public reporting and notification process satisfies the requirement established by state law, and are there any changes Finance plans to make to that process going forward? There were certainly a lot of suggestions here today. The public list posted on Finance's website indicates the properties on the list may or may not be the subject of the tax. How can owners verify if they need to file an exemption? According to analysis by former Finance Commissioner Martha Stark, a beloved person to all of us, when the more than 900,000 properties on Finance's published list are filtered using the statutory market value thresholds, approximately 24,000 properties remain. Why didn't Finance apply those thresholds before publishing the list so that the public-facing list more clearly reflected the

universe of properties that could potentially be subject to the tax? Despite— this is from her— 24,000 properties remaining on the list after this initial screening, Finance sent out 17,000 notices. What accounts for the difference between the two? Prior to mailing out the letters, did Finance do an analysis of how many individuals on the list had filed taxes in 2025 listing New York City as their primary residence? If so, how many residents were mailed letters?

CHAIRPERSON LEE: Okay, next set of questions. For the past 30 years, the city has published annually lists— published annually lists of properties that are eligible for the city's tax lien sale. Recognizing that elevating a list like this creates a target for predatory actors, the city's practice had long been to publish the bare minimum necessary. The lessons from that do not appear to have been followed here. The list published by DOF did not— not only included names but also properties that would qualify for the tax due to the value of the property? Why did DOF ignore its own practices in terms of publishing the bare minimum? If the owner

name is not needed for the lien sale, why is it needed here? Why publish a list that includes properties whose DOF market values come nowhere near the statutory minimum value required to be subject to the tax rather than clearly distinguishing those properties from the much smaller universe that could actually be subject to the tax? What steps is DOE taking— sorry, DOF taking now to mitigate confusion or potential misuse of the information that was published?

CHAIRPERSON BREWER: Number three, on DOF's website, there is a checklist to determine if the taxpayers need to file an exemption for this tax, but the checklist directs taxpayers to the exemption filing process without first verifying whether their property meets the market value thresholds. A, why does the eligibility process not begin by clearly determining whether the property meets the applicable market value threshold before directing an owner to the exemption filing process? B, considering the published list includes over 900,000 properties, including homes valued by finance as lower than $5 million and co-op condo units lower than $1 million.

How can residents who are on the finances published list confirm that they are not required to file an exemption?

CHAIRPERSON LEE: Okay, next question, number four. The department has acknowledged that the published list is not a list of properties subject to the tax. Approximately how many and what percentage of the properties on the published list do you expect will ultimately not be subject to the tax? Did the department estimate the false positive rate before publishing the list, and if so, what was the estimated rate? What quality assurance procedures were performed before publication? And looking back, would the department have published the same list again?

CHAIRPERSON BREWER: Number five, former Finance Commissioner Martha Stark has recommended, as you'd heard earlier, several steps Finance could take to address the problems with the rollout. Does Finance agree with the following recommendation, and does it intend to implement any of them going forward? A, publish a list limited to properties that meet the statutory market value thresholds while

making clear that meeting the threshold does not necessarily mean the tax applies. B, provide property owners with more specific notices explaining why their property was not initially identified as a primary residence and what documentation they need to submit based on their circumstances. C, create an online tool that allows property owners to check whether Finance has identified their property as subject to the tax potentially without requiring the code provided in the mailed notice.

CHAIRPERSON LEE: Okay, the next set of questions is around primary residence determinations. The city already administers multiple programs that require proof of primary residency. A, why must homeowners prove residency again if they already receive the cooperative and condominium property tax abatement? B, did DOF evaluate automatically exempting homeowners already verified through existing programs? And C, why wasn't information already possessed by the city leveraged to reduce unnecessary filings?

CHAIRPERSON BREWER: Seven, the state law allowed Finance to make an initial determination of

primary residency based on information available to the department. Despite this, longtime residents received a letter from Finance. A, why is the burden to prove primary residency left to longtime residents when Finance already— this has been asked a lot today— had information to determine where— which properties would be exempt from the tax increase? Based on other filings in relation to STAR, the veterans exemption, and the condo/co-op abatement? B, what were the criteria used by Finance for determining the latter list? C, did Finance utilize any other exemption data that would indicate primary residency such as STAR or co-op and condo to avoid sending letters to constituents that are known to the department as primary residence. D, state law expressly authorized information sharing between the state and the city for purposes of implementing the tax. Did Finance request information from the state to identify owner occupancy prior to sending the letters? If yes, when, what, and how was it incorporated into determination? If no, why not?

CHAIRPERSON LEE: Okay. Regarding the 17,000 properties that were notified, how many of the

owners who received letter notices currently receive the cooperative and condominium property tax abatement, veterans exemption, or STAR or other benefit for which primary residency is relevant? Of the owners who have already successfully established primary residency in response to the letter notice, how many were already receiving one of these benefits? How many have responded so far? Of those, how many has DOF determined or not subject to the tax? C, how many applications remain pending? D, how many have been denied? E, how many of the properties does DOF currently estimate will ultimately be subject to the tax? F, how many of the initial determinations were based on affirmative evidence that a property was not a primary residence versus an absence of information demonstrating it was a primary residence? G, can you provide this committee with the list of 17,000 properties that mailings were sent to? And H, can you provide this committee with a sample letter that was sent to the 17,000 properties, including any different notices used for Class 1 properties, condominiums, and cooperative units?

CHAIRPERSON BREWER: Notice of Public Outreach, nine. It appears that Finance is relying on mailings to notify owners about this tax, and the only way to confirm that a property may be subject to the tax is to have received a letter. However, mail does get lost. It's not unusual for Finance mailing— sorry— addresses to be out of date, although some of that is on the responsibility of the owner. A, how many notices will Finance be mailing each affected owner? B, how can an owner who did not receive a notice from Finance determine whether Finance never sent one or whether it got lost in the mail? C, how many notices have been returned as undeliverable? D, are there other ways Finance is contacting these owners? And E, state law says for notice to be transmitted by electronic means when practicable. Why was electronic notice not practicable for this year's implementation, and does Finance intend to provide notices electronically in future years.

CHAIRPERSON LEE: Okay. Number 10. Why is there nothing on DOF's landing page or under its news and updates about the pied-à-terre tax? It should be there in a very prominent and noticeable way.

CHAIRPERSON BREWER: Submissions for exemptions, 11. The department recently expanded the deadline to file an exemption from August 24th to September 18th. Do you believe this is an adequate time? A, how will Finance handle late filings of exemptions? B, is this administration comfortable with imposing the tax on a primary resident homeowner if they end up missing the deadline by one day? C, what if they had been hospitalized? D, what if they missed the deadline by a few weeks? E, can you commit to allowing people to continue to prove their residency even past the deadline, maybe allow for an extension where there is good cause for a late submission, and where there is not, requiring those who miss the deadline to pay a late fee, which would encourage people to file by the deadline, but not sock the full text if they miss the deadline. People mentioned that people might be in the hospital.

CHAIRPERSON LEE: Who can file documentation for an exemption? A, can an authorized person or other than a covered owner submit proof of primary residence on behalf of a covered owner who is 65 or older? B, what about for condo and co-op unit

owners? Can the managing agents file the paperwork on behalf of a covered owner? And C, can an owner of a JLWQA, Joint Live-Work Quarters for Artists, unit apply for an exemption, and under what criteria?

CHAIRPERSON BREWER: 13. There are homes in gentrifying communities throughout the city where the market values have now begun to exceed $5 million. Some of them have been in the same hands through generations, and while the values of the homes may have soared in recent years, residents of these homes are solidly working-class who are subject to many pressures. One of those revolves around unclear titles when a prior owner passes away without a clear will. In those cases, heirs may have the claim to the title of the property, but the deed has not been legally transferred to the heir. This creates a dynamic where it may be difficult to document primary residency in these circumstances. Are there any mechanisms in place to assist these longtime residents with filing an exemption?

CHAIRPERSON LEE: 14. Residents have asked what documents are sufficient to establish primary residency. A, what documents does DOF consider the

strongest evidence? B, can tax taxpayers rely on the same documentation used for STAR, the veterans exemption, or the cooperative condominium property tax abatement? C, can electronic records be submitted? D, how will DOF evaluate conflicting documentation? E, what opportunity will an applicant have to cure an incomplete application before DOF issues a denial?

CHAIRPERSON BREWER: 15, how is Finance dealing with homes that are held by LLCs? What is the process to ensure that these individuals who have LLCs holding the property are determined as having primary residence in the city?

CHAIRPERSON LEE: 16. State law provides DOF authority to audit within six years of any certification or documentation of primary residency submitted as proof of exemption. Given the potential penalties for inaccurate or misleading submissions, did the department communicate to the property owners any document retention requirements for information that was used as proof of primary residence.

CHAIRPERSON BREWER: 17, could you clarify the process for council offices assisting

constituents with filing exemptions? We were informed at the DOF info session on August 4th that cases could be submitted through the new DOF case management portal. A week later, we were informed we should follow the exemption process outlined in the letter. Despite many constituents being unable to do so? Can we email the necessary documents directly to DOF on behalf of constituents who come to our offices? We have been told that DOF is unable to accept paperwork that way, but many constituents cannot use the online portal. Will Finance commit to promptly letting council offices know whether exemptions have been approved or denied for cases that we have reached out on.

CHAIRPERSON LEE: 18, constituents have shared concerns about the privacy and security of documents they have to submit to file for the exemption. Could you clarify how these documents are stored and the process for deleting them?

CHAIRPERSON BREWER: Implementation for cooperative units. Property tax and market value information for the co-op priorities are at the development level, while this new tax has a market

value threshold at the co-op unit level. This makes it difficult for the individual co-op unit owners to determine if they are required to file an exemption. A, how can the co-op unit owners determine if they need to file an exemption? B, what type of documentation is needed to prove primary residency? C, what type of outreach and assistance is provided by the administration to assist co-op unit owners? For instance, is Finance working with the co-op and condo managing agents to assist with exemption applications.

CHAIRPERSON LEE: Okay, and this is about the appeals process. Number 20, many homeowners are concerned about being incorrectly identified as subject to the tax. If a homeowner's exemption is denied, what appeal rights exist? B, what is the timeline for filing exemptions and appeals? C, will there be an independent review? D, can taxpayers submit additional documentation after an initial denial? E, will penalties and interest accrue while an appeal is pending? F, was information about appeal rights included in DOF's determination letters? And G, the 311 website states that if an owner chooses to

have the Tax Commission review the initial primary residence determination, the owner must also challenge the property's market value and cannot submit proof of primary residence to DOF. Why are property owners required to choose between these two processes, and how has DOF communicated this distinction to affected owners?

CHAIRPERSON BREWER: Thank you very much, Chair Lee, and I want to thank also Speaker Menin and all who attended and the staff. These questions will be submitted to the administration. In addition, we have questions, a long list from REBNY and from the New York City Co-op and Condo Association. They too will all be submitted, and we would like answers to all of them. Thank you very much. This hearing is concluded.

[gavel]

C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.

Date October 5, 2026