



**STATE OF NEW YORK
DEPARTMENT OF TAXATION AND FINANCE
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ALBANY, NY 12227**

**Testimony of Thomas H. Mattox
New York State Commissioner of Taxation & Finance
Prepared for the Assembly Standing Committee on Real Property Taxation
Hearing of December 11, 2013**

Good afternoon Chairwoman Galef, Honorable Assembly members, and committee staff. I am Thomas Mattox, Commissioner of the New York State Department of Taxation & Finance.

Thank you for the opportunity to update you on our efforts to implement the new Basic School Tax Relief (STAR) exemption registration requirements, which were enacted in this year's State Budget.

The new Basic STAR registration program stems from prior Tax Department investigations that found thousands of taxpayers receiving STAR exemptions on more than one property—a practice commonly referred to as “double-dipping.” Governor Cuomo, seeking to eliminate fraud and abuse, included this initiative in his 2013-14 State Budget, and subsequently directed us to develop a user-friendly registration system that would make it simple for people to maintain their rightful tax relief.

In keeping with the Governor's mandate, we developed a web-based platform and a registration process that takes an average of two to four minutes to complete. The new system is safe and

secure, and enables crosschecking at the State level between multiple assessing jurisdictions, to identify property owners claiming more than one exemption.

We also developed a comprehensive communications and media strategy, to reach the owners of the nearly 2.7 million properties receiving the Basic STAR exemption. The outreach effort began with “coming soon” informational inserts in the Department’s mailings, and included the dissemination of promotional materials in seven languages to every school district, city, town and county, along with templates they could use to add content to their newsletters and websites. We also made the Web page for the registration program available in seven languages, and published question and answer videos in both Spanish and English.

Once all systems were tested and in place to accommodate the public, we mailed property specific STAR registration codes to the nearly 2.7 million properties reported to us as receiving Basic STAR on the 2013 assessment rolls. We staged the mailings in seven geographic batches, along with accompanying regional press releases, over a seven-week period that ran from mid-August to early October. This mailing schedule gave all Basic STAR recipients more than the statutorily required notice period of 60 days prior to the registration deadline of December 31st, and helped maintain a smooth roll-out of this new requirement in every region of the State.

We also scheduled, publicized, and conducted more than 225 public registration events, which are still ongoing, in order to attract taxpayer and media attention in every county. Many of these events were coordinated with State and Local elected officials, and we were always present with computers to complete registrations on site. (For a list of past and upcoming local events, visit http://www.tax.ny.gov/press/star_local_events.pdf)

In mid-November, we commenced a second direct mailing of reminder postcards to those property owners who had not registered. This second mailing, which went to approximately 900,000 property owners, was also accompanied with more press releases, including one specifically timed with the mailing to New York City.

One of the great stories of this campaign is the partnership we forged with the media to get the message out. We are fifteen years removed from the first year STAR applications were submitted, while many others may have applied for the first time less than a year ago. The change demanded education, and we have worked hard to ensure the delivery of good information and simple instructions to the public. Our outreach efforts have benefitted greatly from the sustained coverage provided by media outlets reaching into every part of the State. Our press strategy has been targeted both locally and statewide, complemented by direct contact to media outlets for each of the 225 events. Thus far, more than 230 articles have been published in daily newspapers alone. We've also done dozens of interviews with television and radio news outlets, with continuing coverage in each media market.

I'm thrilled to report as of today more than two million properties have been registered. About 86% of those registrants used our secure website process, while the remaining 14% of registrants registered directly through our dedicated STAR hotline, which has fielded more than a half million phone calls to date.

Immediately after the initial registration deadline of December 31, 2013, we will issue a third direct mailing to any remaining 2013 Basic STAR exemption recipients who have not registered,

advising them that they need to come forward immediately to register with the Department if they believe they are eligible to continue receiving the exemption on that property. This third direct mailing will serve as a final attempt to give notice of the new registration requirement in plenty of time for all entitled owners to maintain their Basic STAR exemption benefits without any interruption. However, we can reasonably expect fewer than 100% of property owners originally contacted will register their properties. Once the registration period closes, we will inform local assessors to remove exemptions on unregistered properties.

In future years, the Department will be doing registration related mailings to the owners of any new Basic STAR exemptions reported to us each year by local assessors, on a similar timeline as we had for this initial year of the Basic STAR registration program. New owners will continue to file their initial STAR exemption applications with their local assessors, who in turn will continue to make the initial determination of exemption eligibility.

I have attached a copy of the most recent map showing Basic STAR registration percentages, which we have also made available to the public via the department website.

http://www.tax.ny.gov/press/star_reg_county.pdf) While the Statewide level of Basic STAR registration to date is about 75%, that percentage ranges from a high of 87% in Saratoga County to a low of 60% in New York City. We are updating this map on-line on a weekly basis, along with a spreadsheet showing the registration percentages in every City and Town.

http://www.tax.ny.gov/press/star_reg_muni.pdf)

As always, we are eager to continue working with you to improve conditions for the property taxpayers of our State. I will be happy to take any questions you may have.

