



Farrell Fritz Client Advisory

November 2012

Real Property Tax Alert ***Hurricane Sandy Impact***

Hurricane Sandy left behind an indelible mark on Long Island and New York City. Many of us will be dealing with the damage left behind for months, if not years. Certainly, we reach out to those in need and pray for the lives lost, for their families and for a full recovery for those injured.

This advisory offers important information and poses some answers to common questions regarding real estate taxes on properties that were destroyed or significantly damaged during the storm.

Nassau County School Tax Extension

Governor Cuomo has issued an executive order giving all Nassau County taxpayers until December 4, 2012 (instead of November 10th) to pay their first half 2012/13 school bill.

Condition of Property on the Taxable Status Date Will Affect Future Taxes

While your building, home, or even land, may have been damaged or destroyed during the October 29, 2012 storm, this does not immediately alter your real estate tax obligation or the amount currently due. What can impact your future tax obligation is the condition of your property on the applicable, upcoming taxable status date for next year's taxes. It is imperative that property owners advise the assessor of their city, county, town and village regarding the condition of their property on the taxable status date. Each municipality will likely try to be proactive, but, the extent of damage left in the wake of Sandy is so enormous that it will be difficult, if not impossible, for the assessor, alone, to identify and account for the extent of damage to each property. Just as you may have done for your property insurance claim, it is important to photograph and document the physical damage to your home or business. Before your taxable status date, information regarding any physical problems at your property should be conveyed to your assessor at either the County (for Nassau), the Town (for Suffolk), the New York City Department of Finance (for NYC), the cities of Long Beach or Glen Cove and any applicable Village.

Apart from the Physical Damage, market value may be affected.

While Sandy ravaged properties along the shoreline, unlike any other storm in recent history, it also decimated properties much further inland. In the short term, sales of all properties in the area directly impacted by Sandy will likely be slow and the values lower. The extent of the value decline will be partly revealed by sales over the next year. Beachfront properties may be impossible to rebuild due to current DEC standards, and all may require extensive permitting. The impact will likely be felt particularly by those inland that suffer from the storm risks but do not benefit from water views. Over the long term, any decline will likely be lessened, barring another mega storm, as most people have very short memories, but a return of the periodic hurricane patterns of the 1950's would have a more long lasting impact on values.

What if I do not know the extent of damage or the post-storm market value of my property?

Whether or not you can get a good handle on the extent of the physical damage or the “new” market value of your property, it is wise to file a property tax grievance. The time to protest is very limiting; no review can be had without a filed protest.

What year's taxes can be impacted?

For Nassau County, the damage could be reflected as early as the 2013/14 School (October 2013 and April 2014) and 2014 General tax bills (January 2014 and July 2014). For Suffolk properties, the damage may be reflected no sooner than the December 2013 tax bill. For the hard hit City of Long Beach, the damage may be reflected as early as the summer of 2013 for City taxes.

Town	Taxable Status Dates	Grievance Filing Deadlines
City of Long Beach	December 1, 2012	January 15, 2013
Nassau County	January 2, 2013	March 1, 2013
New York City	January 5, 2013	March 1, 2013 (March 15 th - Class 1)
Suffolk Towns	March 1, 2013	May 21, 2013

Additional help may be a click away

A good source for additional information on available assistance, including a small business sales tax exemption on hurricane related repairs and purchases, is nassaubackinbusiness.org. While focused on business, the site has helpful information for homeowners as well.

We're Here to Help

If you have additional questions or concerns, please do not hesitate to contact Art Feldman at afeldman@farrellfritz.com (516) 227-0707, Will Meyer at wmeyer@farrellfritz.com (516) 227-0678, or Jon Santemma at jsantemma@farrellfritz.com (516) 227-0603.