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DEPARTMENT OF TAXES AND ASSESSMENTS.

Report of the Commissioners.

To the Hon. SMITH ELY, JR., Mayor, etc. :

STR— This report, although nominally for the quarter ending June 30, actually embraces the transactions of the Department for the official year, which commences with the duties assigned by law for the first Monday in September, and closes with the delivery to the Board of Supervisors of the certified assessment rolls on the first Monday in July.

The year has resembled the one preceding in its general characteristics as to the condition of business affairs. Prices for nearly all commodities have continued to decline; many corporations have ceased to pay dividends; some of them have failed to pay even interest; incomes have been reduced; business failures have been numerous, and the values of real estate have been exceedingly unsettled. The administration of a Department charged with duties which bring it in contact with the interests of every citizen is always a delicate task, but when those interests are suffering from the influences of a protracted blight, the difficulties of the situation are greatly enhanced. A sound judgment, exercised with gentleness and firmness, is the chief requisite for the discharge of such duties; and the Commissioners have striven, with patience that rarely wearied, to meet the expectations of those who submitted claims for consideration.

REAL ESTATE.

The assessed value of real estate was for—

1876.	1877.
\$892,287,015.	\$895,063,933.

The increase is \$2,776,918. This sum is far less than the value of the new buildings completed or erected during the year. But the sum of increase which would have represented the value of the new buildings has been diminished by the reductions made in the assessed value of property in the unimproved portions of the Twelfth, Nineteenth, and Twenty-second Wards. In some sections of two of these wards—the Twelfth and Twenty-second—the decline from the highest prices has been equal to 50 or 60 per cent., and although the Commissioners never suffered their judgment to be carried away by the extreme prices which prevailed in 1873 for unimproved property in which speculation was then rampant, and kept the assessed value at figures which many deemed ridiculously low, yet so great has been the decline in this kind of property that prices have sunk to, and even below, the assessed valuations, and a revision and reduction were therefore compelled. In the lower sections of the same wards, many buildings have been constructed, so that the Twenty-second Ward shows a large increase in aggregate values. In the Nineteenth Ward, building has been exceedingly active, and this ward also exhibits a considerable increase.

The market value of unimproved property upon the west side is extremely unsettled. An investment in such property, in order to save a purchaser from loss, should double in value every seven or eight years, leaving out of the question any liability to assessments for public improvements. The problems, then, that present themselves to the mind of the operator are something like these: What is there in the present condition of business affairs, and of political affairs—so far as they relate to the financial condition of the country, touching the currency and the tariff—which will warrant the assumption that the property offered will double in value during the next seven years? Will a successful method of rapid transit develop the property within that period so as to produce the desired result? Will the increase in the population be such as to bring the property into demand within the time stated? These estimates of probabilities are to be made at a time when depression and gloom overshadow every interest, and when the horizon is obscured by clouds of doubt and uncertainty. It is not strange, therefore, that prices vary with the varying judgments of buyers, and also with the measure of the necessities of the seller. Amid such elements of confusion the duty of placing values upon such properties has to be performed; and it would be singular, indeed, if there were no dissentients as to the views which find expression in the official figures.

There are those who think that the assessed values generally should be reduced to correspond with the general reduction in market values, and that thereby the proportion of the State tax to be paid by the city would also be diminished. But those who advocate such a reduction overlook the fact that a general reduction would not, so far as local taxes are concerned, be to the advantage of any; while the State tax is apportioned without regard to valuations made specifically to affect such apportionment. The persistent demand made by the City of New York, that other portions of the State should advance their assessed values so as to be nearer in line with the valuations in the city, has not been disregarded.

In 1873 the valuation of real estate in the city was, according to the State Assessor's report, \$846,525,009, and in 1876, \$892,428,165—an increase of \$45,903,156, or about 5½ per cent., including about \$23,000,000 increase growing out of the annexation of the three towns in Westchester County, reducing the actual increase to little more than 2 per cent. In fifty-four other counties in the State the valuations, in 1873, were \$904,173,909, and in 1876, \$1,483,824,013, an increase of \$579,650,104 or over 64 per cent. The Commissioners do not believe that even now any other county is assessed in a nearer proportion to actual values than this city; yet, these increased values demonstrate the fact that the example of New York has been both salutary and potential.

The following table shows the increase in the assessed value of real estate in fifty-four counties in three years, that is in 1876 as compared with 1873, and the percentage of increase:

COUNTIES.	ASSESSMENT OF REAL ESTATE, 1873, BY LOCAL ASSESSORS.	ASSESSMENT OF REAL ESTATE, 1876, BY LOCAL ASSESSORS.	INCREASE IN 1876.	PER CENT. OF INCREASE.
Albany.....	\$44,188,851	\$47,039,898	\$2,851,047	6.4
Alleghany.....	8,117,931	15,279,862	7,161,931	88.
Broome.....	7,139,056	24,340,331	17,201,275	240.
Cattaraugus.....	6,959,838	19,514,404	12,554,566	181.
Cayuga.....	17,046,521	29,535,540	12,489,019	73.
Chautauqua.....	14,734,580	35,708,918	20,974,338	129.
Chemung.....	7,835,183	22,572,112	14,736,929	188.
Chenango.....	9,870,764	21,883,209	12,012,445	121.
Clinton.....	5,285,196	5,364,454	79,258	1.5
Columbia.....	16,980,544	18,492,013	1,511,469	8.9
Cortland.....	5,256,353	8,771,243	3,514,890	67.
Delaware.....	7,500,237	12,453,350	4,953,113	66.

COUNTIES.	ASSESSMENT OF REAL ESTATE, 1873, BY LOCAL ASSESSORS.	ASSESSMENT OF REAL ESTATE, 1876, BY LOCAL ASSESSORS.	INCREASE IN 1876.	PER CENT. OF INCREASE.
Dutchess.....	\$21,972,487	\$22,454,216	\$481,729	2.2
Eric.....	46,189,375	133,675,158	87,485,783	189.
Essex.....	5,501,493	5,998,460	496,967	9.
Franklin.....	4,970,830	7,836,614	2,865,784	57.
Fulton.....	2,949,471	4,215,994	1,266,523	43.
Genesee.....	11,743,723	14,998,736	3,255,013	27.
Herkimer.....	8,356,694	11,974,880	3,618,186	43.
Jefferson.....	12,502,411	31,222,857	18,720,446	150.
Kings.....	208,932,933	223,389,621	14,456,688	7.
Lewis.....	3,461,539	7,892,621	4,431,082	128.
Livingston.....	12,015,896	22,737,168	10,721,272	89.
Madison.....	8,801,580	17,861,140	9,059,560	102.
Monroe.....	26,814,941	89,709,287	62,894,346	234.
Montgomery.....	8,306,089	9,125,290	819,201	9.5
Niagara.....	12,596,075	30,286,488	17,690,413	140.
Oneida.....	15,607,098	57,119,082	41,512,984	266.
Onondaga.....	27,723,993	72,420,935	44,696,937	125.
Ontario.....	15,275,596	33,172,811	17,897,215	117.
Orange.....	19,976,073	38,476,596	18,500,523	92.
Orleans.....	9,341,016	20,233,463	10,892,447	116.
Oswego.....	14,074,371	24,318,705	10,244,334	72.
Otsego.....	9,819,913	12,494,010	2,674,097	29.
Putnam.....	4,729,220	8,842,498	4,113,278	87.
Queens.....	22,207,870	23,085,209	877,339	3.9
Rensselaer.....	22,783,039	23,396,295	613,256	2.7
Richmond.....	6,794,199	13,232,358	6,438,159	95.
Rockland.....	6,229,439	10,706,267	4,476,828	71.
St. Lawrence.....	12,802,279	13,938,216	1,135,937	8.8
Saratoga.....	10,097,236	13,490,611	3,393,375	33.
Schenectady.....	5,156,241	5,900,227	743,986	14.
Schoharie.....	4,569,569	8,112,352	3,542,783	85.
Schuyler.....	3,010,455	7,811,341	4,800,886	158.
Seneca.....	9,248,430	14,357,393	5,108,963	55.
Steuben.....	12,924,068	25,827,275	12,903,207	100.
Suffolk.....	10,099,887	11,152,049	1,052,162	10.
Sullivan.....	2,622,085	6,022,024	3,399,939	130.
Tompkins.....	6,137,720	12,042,779	5,905,059	99.
Warren.....	2,366,028	2,388,928	22,800
Wayne.....	13,385,979	19,050,287	5,664,308	42.
Westchester.....	43,722,345	58,568,811	14,846,466	33.
Wyoming.....	7,753,311	13,333,978	5,580,667	72.
Yates.....	7,107,687	7,711,345	603,658	8.

Only five counties—Greene, Hamilton, Tioga, Ulster, and Washington, show decreased values amounting in the aggregate to \$612,772, or about three per cent.

WHARVES AND PIERS.

An important decision has been given by the Court of Appeals, to the effect that piers are assessable as real estate. They have always been so assessed, but under a former decision of the same court, it was felt that the right to make such assessments was questionable. The last decision, however, holds that "it is doubted whether the (former) case was properly decided," and clearly establishes the point that the description of property in question is subject to assessment.

PERSONAL PROPERTY.

There is no material change in the amount of personal property assessed, except as against the stockholders of banks, in which there is a decrease of \$11,530,843. The assessments are for—

	1876.	1877.
Residents.....	\$118,989,535	\$118,832,577
Non-residents.....	14,491,527	13,581,309
Stockholders' banks.....	85,145,117	73,614,274
Total.....	\$218,626,179	\$206,028,160

The extremely depressed condition of commercial affairs has rendered of no avail the efforts to increase the amount of personal property assessed. The depth and breadth of commercial disasters are, to some extent, indicated by the following tables:

Failures in the City of New York—

	1872.	1873.	1874.	1875.	1876.
Number.....	385	644	645	951	887
Amount.....	\$20,684,000	\$92,635,000	\$32,580,000	\$49,263,667	\$33,244,018

Failures in the United States—

	1872.	1873.	1874.	1875.	1876.
Number.....	4,069	5,183	5,830	7,740	9,092
Amount.....	\$121,056,000	\$228,499,000	\$155,239,000	\$201,060,353	\$191,117,786

New York, as a creditor city, has had to bear a large proportion of the losses from failures in other sections of the country.

It is unnecessary to re-assert at any length the fact so often stated in previous reports, that the personal property actually assessed in the City and State of New York is small compared with the actual possessions of their citizens, and that the assessments represent rather the meagre provisions of the law than the wealth of the State.

The operation of the tax laws of the State to protect foreign industries and interests was illustrated by a very recent decision of the Court, in the case of the London and Manchester Plate Glass Company, which was assessed for \$150,000 upon imported glass in their store here, not in original packages—for if in such packages it would have been exempt under the Constitution of the United States. The Court decided that, following the decisions in the case of Canadian Bank capital used in business here, and in the case of the Parker Mills Company (a corporation of another State), which sold its products here, that the manufactures of the London and Manchester Plate Glass Company in the hands of an agent here, the proceeds of sales to be remitted to the foreign house, were not subject to taxation under the laws of this State.

The practical effect of the present law, then, is to exempt Foreign banking capital used here, and to tax domestic banking capital:

To exempt the products of foreign manufactories, under certain easily filled conditions, and to tax our own manufacturers of similar fabrics.

If the purpose were to specifically protect foreign capital and foreign industries at the expense of home capital and home industries, no more effective law would be needed.

Whether this gross inequality should be remedied by removing the restrictions upon home capital and industries, or by imposing, when possible, restrictions upon foreign capital and industries, it is not necessary now to discuss.

The variations in the assessments upon the Stockholders of Banks are owing to the failure of one bank, with a capital of \$100,000, the abandonment of business by two banks with capitals of \$600,000, the reduction of capital by six banks to the extent of \$3,950,000, and the commencement of one bank with a capital of \$100,000.

The litigation in regard to the assessment of bank shares, by including the surplus in the value of the shares, has been concluded by the decision of the Supreme Court of the United States, as follows:

The People of the State of New York, ex. rel.—The Gallatin National Bank, et. al., plaintiffs in error, agt. The Commissioners of Taxes and Assessments in the City of New York. In error to the Court of Appeals of the State of New York.

The assessors were justified under this authority in fixing the value as we have stated. The appraisal included the reserve fund, which is as much a part of the property of the bank, and goes to fix the value of the shares, equally as if it were not called by that name, but remained as a part of the specie, bills discounted, or other funds of the bank, undistinguished from the general mass.

The act of Congress of June, 1864, provides that the States may tax the shares of national banks, subject to two restrictions: 1st, that this taxation shall not be "at a greater rate than is assessed upon other moneyed capital in the hands of individual citizens of such State;" and 2d, "that the tax so imposed shall not exceed the rate imposed upon the shares of any of the banks organized under the authority of the State where such association is located."

But the relators insist that by the Act of the Legislature of the State of New York, passed March 9, 1865, it was enacted that the shares of a bank could not be assessed at an amount greater than the par value thereof, and that such statute created a contract with the banks organized under the same, which could not be altered by a subsequent Legislature.

"10. All the shares in any of the said banking associations, organized under this act, or the act of Congress—held by any person or body corporate, shall be included in the valuation of the personal property of such person or body corporate in the assessment of taxes in the town or ward where such banking association is located and not elsewhere, whether the holder thereof reside in such town or ward or not; but not at a greater rate than is assessed upon other moneyed capital in the hands of individuals of this State, provided that the tax so imposed upon such shares shall not exceed the par value thereof; and provided further, that the real estate of such associations shall be subject to State, county or municipal taxes to the same extent, according to its value, as other real estate is taxed."

Had this been a valid statute, we might have been called upon to discuss the point raised. But it was held, in Van Allen agt. The Assessors (3 Wall, 573), that this statute was fatally defective, in that it did not contain a proviso that the tax thereby authorized to be imposed should not exceed the rate imposed upon banks organized under the authority of the State.

Relative Value of the Real and Personal Estate in the City and County of New York, as Assessed for 1876 and 1877.

Table with 5 columns: WARDS, ASSESSMENTS FOR 1876, ASSESSMENTS FOR 1877, INCREASE, DECREASE. Lists 24 wards and their respective assessment values for 1876 and 1877, along with the change in value.

Table with 4 columns: Personal Estate, Real Estate, Total Real and Personal, Total Dec. Lists Resident, Non-resident, and Shareholders of Banks for both years, and total values and decreases.

Summary table with 4 columns: Total Valuation for 1877, Total Valuation for 1876, Total Increase, Total Decrease. Shows overall trends in total valuation and changes between years.

* Increase Real Estate, \$2,776,918.

PERSONAL ESTATE. The following table exhibits the assessments on personal property in the City of New York for the years 1875, 1876, and 1877:

Table with 5 columns: Category, 1875, 1876, 1877. Lists Resident, Non-resident, and Shareholders of Banks with their assessment values for three years.

NUMBER OF ASSESSMENTS. The following table exhibits the number of names assessed for personal property, the number of applications for relief, the number proving to be exempt, and the number passed into the Receiver's books, for the years 1875, 1876, and 1877:

Table with 5 columns: Category, 1875, 1876, 1877. Lists Names on rolls at opening, Applications for reductions, Erased, not liable, and Retained on Receiver's books.

The number of banks and of shareholders for the years 1875, 1876, and 1877, respectively, was as follows:

Table with 4 columns: Category, 1875, 1876, 1877. Lists Number of banks and Number of shareholders.

The following table exhibits the total valuations on real and personal estate for the years 1875, 1876, and 1877:

Table with 4 columns: Category, 1875, 1876, 1877. Lists Real Estate, Resident Personal, Non-resident Personal, and Shareholders of Banks.

ANNUAL EXEMPTIONS. By the laws of this State, the personal property of every minister of the gospel, or priest of any denomination, or the real estate of every such minister or priest, to the extent of \$1,500, is exempt from taxation.

ASSESSMENTS UPON REAL ESTATE. The number of pieces or plots of real estate upon the assessment rolls for 1875, was 147,855; in 1876, 148,130; and in 1877, 149,541.

TOTAL NUMBER OF ASSESSMENTS. Table with 4 columns: Category, 1875, 1876, 1877. Lists Number of pieces of real estate, Number of names on personal books, and Number of shareholders of banks.

Respectfully submitted, JOHN WHEELER, JOHN N. HAYWARD, GEO. H. ANDREWS, Commissioners of Taxes and Assessments.

NEW YORK, June 30, 1877.

OFFICIAL DIRECTORY. STATEMENT OF THE HOURS DURING WHICH all the Public Offices in the City are open for business, and at which each Court regularly opens and adjourns, as well as of the places where such offices are kept and such Courts are held.

EXECUTIVE DEPARTMENT, LEGISLATIVE DEPARTMENT, FINANCE DEPARTMENT, HEALTH DEPARTMENT, DEPARTMENT OF PUBLIC CHARITIES AND CORRECTION, FIRE DEPARTMENT, DEPARTMENT OF PUBLIC PARKS, DEPARTMENT OF DOCKS, DEPARTMENT OF TAXES AND ASSESSMENTS, LAW DEPARTMENT, POLICE DEPARTMENT, DEPARTMENT OF PUBLIC WORK, BOARD OF EXCISE, BOARD OF EDUCATION, COMMISSIONERS OF ACCOUNTS, COMMISSIONERS OF THE COUNTY COURT-HOUSE, THE CITY RECORD.

