

STATE OF NEW YORK

6626

2017-2018 Regular Sessions

IN SENATE

June 7, 2017

Introduced by Sen. GOLDEN -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the real property tax law, in relation to the determination of adjusted base proportions in special assessing units which are cities for the fiscal year two thousand eighteen

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

- 1 Section 1. Subdivision 1 of section 1803-a of the real property tax
 2 law is amended by adding a new paragraph (cc) to read as follows:
 3 (cc) Notwithstanding the provisions of paragraph (c) of this subdivi-
 4 sion to the contrary, in a special assessing unit which is a city and
 5 for current base proportions to be determined in such special assessing
 6 unit's fiscal year two thousand eighteen, the current base proportion of
 7 any class shall not exceed the adjusted base proportion or adjusted
 8 proportion, whichever is appropriate, of the immediately preceding year.
 9 Where the computation performed pursuant to paragraph (b) of this subdivi-
 10 vision would otherwise produce such result, the current base proportion
 11 of such class or classes shall be limited to a zero percent increase and
 12 the legislative body of such special assessing unit shall alter the
 13 current base proportion of any or all remaining classes so that the sum
 14 of the current base proportions equals one.
- 15 § 2. In the event the special assessing unit which is a city has sent
 16 out real property tax bills for its fiscal year 2018 before this act
 17 shall have become a law, the city shall take such actions as are neces-
 18 sary, consistent with applicable state and local law, to effect the
 19 provisions of section one of this act, including, but not limited to,
 20 revising the current base proportions and adjusted base proportions,
 21 resetting the real property tax rates and sending amended real property
 22 tax bills. Provided, however, that nothing herein shall be deemed to
 23 affect the obligation of any taxpayer with respect to the payment of any
 24 installment of real property tax for such fiscal year which was due and

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets
 [-] is old law to be omitted.

LBD13107-01-7

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1 payable prior to the date such amended real property tax bills are sent;
2 for this purpose, such obligations shall be determined in accordance
3 with the applicable provisions of law that were in effect immediately
4 prior to the effective date of this act, and such city shall be author-
5 ized to determine the date on which amended bills are to be sent and the
6 installments of real property tax which are to be reflected therein.
7 § 3. This act shall take effect immediately.

**NEW YORK STATE SENATE
INTRODUCER'S MEMORANDUM IN SUPPORT
submitted in accordance with Senate Rule VI. Sec 1**

BILL NUMBER: S6626

SPONSOR: GOLDEN

TITLE OF BILL: An act to amend the real property tax law, in relation to the determination of adjusted base proportions in special assessing units which are cities for the fiscal year two thousand eighteen

PURPOSE OR GENERAL IDEA OF BILL:

To cap the maximum class growth rate for class shares in New York City at zero percent for fiscal year 2018.

SUMMARY OF PROVISIONS:

Section 1 of the bill would amend Section 1803-a of the Real Property Tax Law to provide that in New York City for fiscal year 2018 the current base proportion of any class shall not exceed the adjusted base proportion or base proportion, whichever is appropriate, of the immediately preceding year. It further provides that the computation for the current base proportion shall be limited to a 0% increase and the City Council shall adjust all remaining classes so that the sum of the current base proportions equals one.

Section 2 of the bill would authorize the City to take such actions as are necessary to effect the provisions of Section one, including, but not limited to revising the current base proportions and adjusted base proportions, resetting the real property tax rates and sending amended real property tax bills; provided however, nothing shall be deemed to affect the obligation of any taxpayer with respect to the payment of any installment of real property tax for such fiscal year which was due and payable prior to the date such amended real property tax bills are sent; for this purpose, such obligations shall be determined in accordance with the applicable provisions of law that were in effect immediately prior to the effective date of this act, and such City shall be authorized to determine the date on which amended bills are to be sent and the installments of real property tax which are to be reflected therein.

Section 3 of the bill provides that it shall take effect immediately.

JUSTIFICATION:

State law requires New York City to adopt class shares based on rates calculated by the State Board of Real Property Services (SBRPS) in order to distribute the tax levy among the four classes of real property. This year the State Board's class equalization rates would cause the tax burden on property tax class one, comprised one-, two-, and three-family homes, to increase, as it has done over the past several years.

This bill is designed to provide relief for the residential property tax class one without placing a burden on to class two, which is the other residential tax class. The "uncapped" current base proportions of class one would grow by over 4 percent from fiscal year 2017, under the State Board's calculations. Currently, State law provides that the current base proportion of anyone class may not exceed the adjusted base proportion for that class from the prior year by more than five percent.

This legislation would adjust that rule, for one year only, to cap the maximum class growth at 0 percent for New York City. The effect of this change would be to reduce the amount by which the current base proportions for any class, including one, is allowed to grow, resulting in citywide savings of about \$250 for a typical owner of a class one single family home. Under a cap of 0 percent, class two properties will see a decrease in the tax rate, making the rate the lowest it has been since fiscal year 2009. Similarly, Class 4's rate is also expected to decrease under a 0 percent cap. Class 3's rate is expected to increase, however this rate is expected be lower than it has been in the past 10 of 15 years.

Failure to enact this legislation would leave the City Council no option but to adopt the default SBRPS formula for establishing class shares. In that case, the estimated tax rate increase for class one would be over 6 percent, which when coupled with assessment increases, would cause significant increases in the tax bills for residential homeowners. That tax rate increase for class one, resulting from SBRPS procedures, is avoidable only through passage of this legislation.

PRIOR LEGISLATIVE HISTORY:

New bill.

FISCAL IMPLICATIONS:

Undetermined.

EFFECTIVE DATE:

Immediately upon enactment.

STATE OF NEW YORK

8323

2017-2018 Regular Sessions

IN ASSEMBLY

June 8, 2017

Introduced by M. of A. FARRELL -- read once and referred to the Committee on Real Property Taxation

AN ACT to amend the real property tax law, in relation to the determination of adjusted base proportions in special assessing units which are cities for the fiscal year two thousand eighteen

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

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4 sion to the contrary, in a special assessing unit which is a city and
5 for current base proportions to be determined in such special assessing
6 unit's fiscal year two thousand eighteen, the current base proportion of
7 any class shall not exceed the adjusted base proportion or adjusted
8 proportion, whichever is appropriate, of the immediately preceding year.
9 Where the computation performed pursuant to paragraph (b) of this subdivi-
10 vision would otherwise produce such result, the current base proportion
11 of such class or classes shall be limited to a zero percent increase and
12 the legislative body of such special assessing unit shall alter the
13 current base proportion of any or all remaining classes so that the sum
14 of the current base proportions equals one.

15 § 2. In the event the special assessing unit which is a city has sent
16 out real property tax bills for its fiscal year 2018 before this act
17 shall have become a law, the city shall take such actions as are neces-
18 sary, consistent with applicable state and local law, to effect the
19 provisions of section one of this act, including, but not limited to,
20 revising the current base proportions and adjusted base proportions,
21 resetting the real property tax rates and sending amended real property
22 tax bills. Provided, however, that nothing herein shall be deemed to
23 affect the obligation of any taxpayer with respect to the payment of any
24 installment of real property tax for such fiscal year which was due and

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2 for this purpose, such obligations shall be determined in accordance
3 with the applicable provisions of law that were in effect immediately
4 prior to the effective date of this act, and such city shall be author-
5 ized to determine the date on which amended bills are to be sent and the
6 installments of real property tax which are to be reflected therein.
7 § 3. This act shall take effect immediately.

**NEW YORK STATE ASSEMBLY
MEMORANDUM IN SUPPORT OF LEGISLATION
submitted in accordance with Assembly Rule III, Sec 1(f)**

BILL NUMBER: A8323

SPONSOR: Farrell

TITLE OF BILL: An act to amend the real property tax law, in relation to the determination of adjusted base proportions in special assessing units which are cities for the fiscal year two thousand eighteen

SUMMARY OF PROVISIONS:

This bill would amend section 1803-a of the Real Property Tax Law to cap the maximum class growth rate at zero percent for fiscal year 2018.

REASONS FOR SUPPORT:

State law requires New York City to adopt class shares based on rates calculated by the State Board of Real Property Services (SBRPS) in order to distribute the tax levy among the four classes of real property. This year the State Board's class equalization rates would cause the tax burden on property tax class one, comprised one-, two-, and three-family homes, to increase, as it has done over the past several years.

This bill is designed to provide relief for the residential property tax class one without placing a burden on to class two, which is the other residential tax class. The "uncapped" current base proportions of class one would grow by over 4 percent from fiscal year 2017, under the State Board's calculations. Currently, State law provides that the current base proportion of anyone class may not exceed the adjusted base proportion for that class from the prior year by more than five percent.

This legislation would adjust that rule, for one year only, to cap the maximum class growth at 0 percent for New York City. The effect of this change would be to reduce the amount by which the current base proportions for any class, including one, is allowed to grow, resulting in citywide savings of about \$250 for a typical owner of a class one single family home. Under a cap of 0 percent, class two properties will see a decrease in the tax rate, making the rate the lowest it has been since fiscal year 2009. Similarly, Class 4's rate is also expected to decrease under a 0 percent cap. Class 3's rate is expected to increase, however this rate is expected be lower than it has been in the past 10 of 15 years.

Failure to enact this legislation would leave the City Council no option but to adopt the default SBRPS formula for establishing class shares. In that case, the estimated tax rate increase for class one would be over 6 percent, which when coupled with assessment increases, would cause significant increases in the tax bills for residential homeowners. That tax rate increase for class one, resulting from SBRPS procedures, is avoidable only through passage of this legislation.

FISCAL IMPLICATIONS:

There would be zero impact on expenditures and revenues as a result of this legislation.

EFFECTIVE DATE:

Immediately.