



**REPORT OF THE
COMMITTEE ON FINANCE**

**FINANCE DIVISION
LATONIA MCKINNEY, ACTING DIRECTOR**

RESOLUTION COMPUTING AND CERTIFYING ADJUSTED BASE PROPORTION OF EACH CLASS OF REAL PROPERTY FOR FISCAL 2015 TO THE STATE BOARD OF REAL PROPERTY SERVICES PURSUANT TO SECTION 1803-a OF THE REAL PROPERTY TAX LAW.

Introduction. The above-captioned resolution completes the certification procedure required by Section 1803-a of the Real Property Tax Law to establish the class shares used in levying the real property taxes for the adopted Fiscal 2015 budget.

In a separate resolution, the Council computed and certified the current base proportions for Fiscal 2015 (the "CBP Resolution"). The above-captioned resolution uses those current base proportions, together with data supplied by the New York City Department of Finance from the final assessment roll released on May 27, 2014, to determine the adjusted base proportions (or class shares) in accordance with the procedure established by the State Board of Real Property Services (the "SBRPS").

The current base proportion for each class of real property takes into account the market value changes in the class occurring between the assessment roll for the base period, 1989, and the latest roll for which SBRPS has established class equalization rates, 2013. The CBP Resolution modified the class shares for the Fiscal 2015 property tax levy accordingly. The remaining step, to be taken in the above-captioned resolution, adjusts these current base proportions to take account of the various physical changes (such as demolitions, new construction, changes in exempt status and transfers among classes) that are reflected in the new final assessment roll. The computations called for in the SBRPS procedure are designed to separate the effects of these physical changes from equalization changes made by local assessors.

Analysis. The calculations shown on the SBRPS Form RP-6702 attached to the above-captioned resolution modify the share for each class to reflect physical changes. For Fiscal 2015, all property tax classes show modest physical increases. The Fiscal 2015 adjusted base proportions for Classes 1 and 2 show modest declines of about one percent or less from the Fiscal 2014 current base proportions. Classes 3 and 4 on the other hand see modest increases due to physical increases pushing their adjusted base percentage up about 0.2 percent and 1.3 percent respectively.

However, the changes from the adjusted base proportions from Fiscal 2014 to Fiscal 2015, as reported in the table below, show an increase for Class 4, while Classes 1, 2, and 3 see decreases.

Comparison of Class Shares for Fiscal 2014 and Fiscal 2015			
Class	Fiscal 2014	Fiscal 2015	Percent Change
1	15.4894	15.0728	-2.69
2	36.7523	36.1823	-1.55
3	6.8468	6.0842	-11.14
4	40.9115	42.6607	+4.28
Total	100.0000	100.0000	

The tax rates resulting from the use of class shares, or adjusted base proportions, shown above for Fiscal 2015 are compared to the Fiscal 2014 tax rates in the following table.

Comparison of Tax Rates for Fiscal 2014 and Fiscal 2015 (Per \$100 Assessed Value)			
Class	Fiscal 2014	Fiscal 2015	\$ Difference
1	19.191	19.156	-0.035
2	13.145	12.855	-0.290
3	11.902	11.125	-0.777
4	10.323	10.684	+0.361

Preconsidered Res. No.

RESOLUTION COMPUTING AND CERTIFYING ADJUSTED BASE PROPORTION OF EACH CLASS OF REAL PROPERTY FOR FISCAL 2015 TO THE STATE BOARD OF REAL PROPERTY SERVICES PURSUANT TO SECTION 1803-a OF THE REAL PROPERTY TAX LAW.

By Council Member Ferreras

Whereas, this Resolution, dated June 25, 2014, computes and certifies the adjusted base proportion of each class of real property for the fiscal year beginning on July 1, 2014 and ending on June 30, 2015 ("Fiscal 2015") to the State Board of Real Property Services pursuant to Section 1803-a of the Real Property Tax Law; and

Whereas, on May 27, 2014, pursuant to Section 1514 of the Charter of the City of New York, the Commissioner of the Department of Finance delivered to the Council the certified assessment rolls for all real property assessable for taxation in the City in each borough thereof for Fiscal 2015, a certified copy of which is in the Office of the Clerk of the City pursuant to Section 516 of the Real Property Tax Law (the "Fiscal 2015 Assessment Rolls"); and

Whereas, pursuant to Section 1803-a (1) of the Real Property Tax Law the Council adopts herewith a resolution in which the Council computed and certified the current base proportion, the current percentage and the base percentage of each class of real property in the City for Fiscal 2015 (the "Current Base Proportion Resolution"); and

Whereas, Section 1803-a (5) of the Real Property Tax Law requires the Council, subsequent to the filing of the final Fiscal 2015 Assessment Rolls, to adjust current base proportions computed pursuant to the Current Base Proportion Resolution to reflect additions to and removals from the Fiscal 2015 Assessment Rolls as described therein (each such current base proportion so adjusted to be known as an "Adjusted Base Proportion"); and

Whereas, within five (5) days upon determination of the Adjusted Base Proportions, Section 1803-a (6) of the Real Property Tax Law, requires the Council to certify, to the State Board of Real Property Services ("SBRPS"), the Adjusted Base Proportion for each class of real property applicable to the City, the assessed value of all property in each class of real property, the net change in assessed value for each class on the Fiscal 2015 Assessment Rolls resulting from the additions to or removals from the Fiscal 2015 Assessment Rolls as described above, and the net change in assessed value for each class on the Fiscal 2015 Assessment Rolls resulting from changes other than those referred to above;

NOW, THEREFORE, be it resolved by The Council of The City of New York as follows:

Section 1. Computation and Certification of Adjusted Base Proportions and Related Information for Fiscal 2015. (a) The Council hereby computes and certifies the Adjusted Base Proportion for each class of real property applicable to the City, the assessed value of all property in each class of real property, the net change in assessed value for each class on the Fiscal 2015 Assessment Rolls resulting from the additions to or removals from the Fiscal 2015 Assessment Rolls as described in Section 1803-a (5) of the Real Property Tax Law, and the net change in assessed value for each class on the Fiscal 2015 Assessment Rolls resulting from changes other than those described in Section 1803-a (5) of the Real Property Tax Law, as shown on SBRPS Form RP-6702, attached hereto as Exhibit A and incorporated herein by reference (the "ABP Certificate").

(b) The Clerk of the Council is hereby authorized and directed to execute the ABP Certificate and to file it with the SBRPS no later than five (5) days after the date hereof.

Section 2. Effective Date. This resolution shall take effect as of the date hereof.

SECTION II

Computation of Portion Class Adjustment Factor

	(J)	(K)	(L)	(M)	(N)	(O)
Class	Taxable Assessed Value on the Levy Roll	Taxable Assessed Value on Levy Roll at Reference Roll Level of Assessment (J/I)	Assessed Value of Special Franchise on the Levy Roll at the Reference Roll Level of Assessment	Total Taxable Assessed Value on Levy Roll at Reference Roll Level of Assessment (K+L)	Taxable Assessed Value on the Reference Roll	Class Adjustment Factor (M/N)
1	\$17,667,478,249	\$17,196,785,046	\$0	\$17,196,785,046	\$17,073,914,572	1.00720
2	63,489,418,349	60,450,913,626	0	60,450,913,626	59,419,390,925	1.01736
3	1,977,480,794	2,067,376,527	10,555,309,477	12,622,686,004	12,244,505,596	1.03089
4	90,207,800,840	86,064,484,431	0	86,064,484,431	84,354,108,135	1.02028

SECTION III

Computation of Adjusted Base Proportions

	(P)	(Q)	(R)
Class	Current Base Proportions	Current Base Proportions Adjusted for Physical and Quantity Changes #1 (P*O)	Adjusted Base Proportions (Q/SUM of Q)*100
1	15.2324	15.3421	15.0728
2	36.2003	36.8288	36.1823
3	6.0074	6.1929	6.0842
4	42.5599	43.4230	42.6607
Total	<u>100.0000</u>	<u>101.7868</u>	<u>100.0000</u>

I, the Clerk of the Legislative Body of the special assessing unit identified above, hereby certify that the legislative body determined on June 25, 2014 the adjusted base proportions and the data, procedures and computations used to determine the adjusted base proportions as set forth herein for the assessment roll and portion identified above.

Signature

Title

Date