REPORT OF THE
COMMITTEE ON FINANCE

FINANCE DIVISION
PRESTON NIBLACK, DIRECTOR

RESOLUTION AMENDING AND RESTATING THE RESOLUTION COMPUTING AND CERTIFYING ADJUSTED BASE PROPORTION OF EACH CLASS OF REAL PROPERTY FOR FISCAL 2012 TO THE STATE BOARD OF REAL PROPERTY TAX 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, Real Property Tax Law, to establish the class shares used in levying the real property taxes for the adopted Fiscal 2012 budget[1].

On June 29, 2011, the Council adopted a resolution computing and certifying the current base proportions for Fiscal 2012 (the "CBP Resolution"). After the adoption of the CBP Resolution, Section 1803-a, Real Property Tax Law, was amended to lower the percent of increase in the current base proportion as compared with the previous year's adjusted base proportion from 5.0 percent to 2.5 percent, which altered the calculations contained in the CBP Resolution. Pursuant to this amendment to state law, the Council adopted a resolution on November 3, 2011, restating the CBP Resolution. On June 29, 2011, the Council also adopted a resolution computing and certifying the adjusted base proportion of each class of real property for Fiscal 2012 (the "ABP Resolution"). The above-captioned resolution amends and restates the ABP Resolution to reflect the changes in the November 3, 2011 CBP Resolution.

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 the State Board of Real Property Tax Services ("SBRPTS") has established class equalization rates, 2010. The CBP Resolution modified the class shares for the Fiscal 2012 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 SBRPTS procedure are designed to separate the effects of these physical changes from equalization changes made by local assessors.

Analysis. The calculations shown on the SBRPTS Form RP-6702 attached to the above-

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1 As hereinafter provided, references to the Fiscal 2012 Budget will be deemed to reference such budget as adopted on June 29, 2011. Such reference shall not include modifications of such budget during the Fiscal 2012 fiscal year.

captioned resolution modify the share for each class to reflect physical changes. For Fiscal 2012, most property tax classes, save Class 3, show modest physical increases. The Fiscal 2012 adjusted base proportions for Classes 1 and 2 show modest declines of less than one percent from the Fiscal 2012 current base proportions, while Class 4 is marginally up by about a tenth of percent from the Fiscal 2012 current base proportions. Class 3 on the other hand saw relatively more of a change due to physical increases putting in its adjusted base percentage about 4 percent from the current base proportions.

However, the changes from the adjusted base proportions from Fiscal 2011 to Fiscal 2012, as reported in the table below, show increases for Classes 1 and 2, while Classes 3 and 4 see decreases.

Comparison of Class Shares for Fiscal 2011 and Fiscal 2012			
Class	Fiscal 2011	Fiscal 2012	Percent Change
1	15.0922	15.3852	+1.94
2	37.4175	37.8064	+1.04
3	7.6075	7.0338	-7.54
4	39.8828	39.7746	-0.27
Total	100.0000	100.0000	

The tax rates resulting from the use of class shares shown above for Fiscal 2012 are compared to the Fiscal 2011 tax rates in the following table.

Comparison of Tax Rates for Fiscal 2011 and Fiscal 2012 (Per $100 Assessed Value)			
Class	Fiscal 2011	Fiscal 2012	$ Difference
1	17.364	18.205	+0.841
2	13.353	13.433	+0.080
3	12.631	12.473	-0.158
4	10.312	10.152	-0.160