

# STATE OF NEW YORK

8895

2009-2010 Regular Sessions

## IN ASSEMBLY

June 12, 2009

Introduced by M. of A. HYER-SPENCER, SILVER, FARRELL, GIBSON -- Multi-Sponsored by -- M. of A. ABBATE, BING, BRENNAN, CARROZZA, COLTON, COOK, CRESPO, CUSICK, CYMBROWITZ, DenDEKKER, GLICK, HEVESI, HIKIND, JACOBS, KELLNER, LANCMAN, LENTOL, MARKEY, MAYERSOHN, MILLMAN, NOLAN, PERRY, PHEFFER, P. RIVERA, ROSENTHAL, SCARBOROUGH, WEINSTEIN, WRIGHT -- read once and referred to the Committee on Ways and Means

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 2010

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 (u) to read as follows:  
3 (u) 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 ten, the current base proportion of any  
7 class shall not exceed the adjusted base proportion or adjusted propor-  
8 tion, whichever is appropriate, of the immediately preceding year. Where  
9 the computation performed pursuant to paragraph (b) of this subdivision  
10 would otherwise produce such result, the current base proportion of such  
11 class or classes shall be limited to a zero percent increase and the  
12 legislative body of such special assessing unit shall alter the current  
13 base proportion of any or all remaining classes so that the sum of the  
14 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 2010 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,

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

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1 resetting the real property tax rates and sending amended real property  
2 tax bills. Provided, however, that nothing herein shall be deemed to  
3 affect the obligation of any taxpayer with respect to the payment of any  
4 installment of real property tax for such fiscal year which was due and  
5 payable prior to the date such amended real property tax bills are sent;  
6 for this purpose, such obligations shall be determined in accordance  
7 with the applicable provisions of law that were in effect immediately  
8 prior to the effective date of this act, and such city shall be author-  
9 ized to determine the date on which amended bills are to be sent and the  
10 installments of real property tax which are to be reflected therein.  
11 § 3. This act shall take effect immediately.

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

BILL NUMBER: A8895

SPONSOR: Hyer-Spencer (MS)

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 2010

PURPOSE: To extend the expiration date of the New York City commercial rent reduction and sales tax exemption for areas in lower Manhattan that are due to expire this year.

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 2010

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 of one-, two-, and three-family homes; and property tax class two, comprised of multi-family co-operative, condominium and rental apartments, to increase dramatically.

This bill is designed to provide relief for the residential property tax classes one and two. The "uncapped" current base proportions of class one and class two would grow by 23.6 percent and 3.4 percent, respectively, from fiscal year 2009, under the State Board's calculations. Currently, State law provides that the current base proportion of any one 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 0.0 percent for New York City. The effect of this change would be to reduce the amount by which the current base proportions for classes one and two are allowed to grow, resulting in an estimated tax rate increase of 1.8 percent for class one and 1.4 percent for class two. This would result in citywide savings of \$177 for a typical owner of a class one single family home, and \$167 for a typical owner of a co-operative apartment. Owners of rental buildings will also see savings of \$91 per unit on average.

Failure to enact this legislation would leave the City Council no option but to adopt the SBRPS formula for establishing class shares. In that case, the estimated tax rate increases for class one would be 6.9 percent and 4.8 percent for class two. This increase would cause significant rises in the tax bills for residential homeowners and renters. The tax rate increases for classes one and two, resulting from SBRPS procedures, is avoidable only through passage of this legislation.

LEGISLATIVE HISTORY: New Bill

EFFECTIVE DATE: Immediately.

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