



## NEW YORK CITY BANKING COMMISSION

66 John Street, New York, NY 10038

Telephone: (212) 291-4840

Mary Christine Jackman, *Secretary*

May 13, 2025

Honorable Adrienne Adams  
Speaker, New York City Council  
ATTN: Jonathan Ettricks  
City Hall  
New York, NY 10007

**Re: FY2026 Interest Rates Recommendations for:**

Early Payment (Discount) of Property Taxes,  
Rate for Payment Program for Property Taxes; and  
Late-Payment of Property Taxes

Dear Speaker Adams:


Pursuant to Section 11-224.1 of the New York City Administrative Code and Section 1519-a of the New York City Charter, at its meeting on May 13, 2025, the NYC Banking Commission approved resolutions recommending to the City Council the following proposed FY2026 interest rates for the discount rate for early property tax payments, rate for payment program for property taxes; and the rates for non-payment of property taxes:

- a. One-half of one percent (**0.50%**) discount per annum for early payment of real estate taxes;
- b. Five percent (**5.0%**) per annum for non-payment of property taxes with an assessed value of not more than two hundred fifty thousand dollars (\$250,000), or not more than two hundred fifty thousand dollars (\$250,000) per residential unit for co-ops, for certain Property Tax Payment Plans;
- c. Eight percent (**8.0%**) per annum for non-payment of property taxes with an assessed value of not more than two hundred fifty thousand dollars (\$250,000), or not more than two hundred fifty thousand dollars (\$250,000) per residential unit for co-ops;
- d. Fifteen percent (**15.0%**) per annum for non-payment of property taxes with an assessed value of no more than two hundred fifty thousand dollars (\$250,000), but less than four hundred fifty thousand dollars (\$450,000), or not more than two hundred fifty thousand dollars (\$250,000), but less than four hundred fifty thousand dollars (\$450,000) per residential unit for co-ops;
- e. Eighteen percent (**18.0%**) per annum for non-payment of property taxes with an assessed value of more than four hundred fifty thousand dollars (\$450,000), or more than four hundred fifty thousand dollars (\$450,000) per residential unit for co-ops.

The Commission also voted on making a \$10 Million deposit at Ponce Bank's Banking Development District (BDD) branch located at 2244 Westchester Avenue in the Bronx. Attached are copies of the Banking Commission resolutions.

May 13, 2025  
Honorable Adrienne Adams  
Interest Rate Recommendations – FY2026

Sincerely,

 Mary Christine Jackman  
Assistant Commissioner and Treasurer  
NYC Department of Finance

Attachment

Cc: Honorable Eric Adams  
Comptroller Brad Lander  
Commissioner Preston Niblack, NYC Department of Finance  
Chief Policy Advisor for the First Deputy Mayor Reggie Thomas, Banking Commission  
Representative of the Mayor  
Deputy Comptroller for Policy Annie Levers, Banking Commission Representative of the  
Comptroller  
Council Member Justin Brannan, Chair, NYC Council Finance Committee  
Jeremy John, Chief of Staff, NYC Council  
Emre Edev, Counsel, NYC Council Finance Division  
Jonathan Ettricks, Director, NYC Council Legislative Documents Unit

## **RESOLUTION NO. 1 – FY2026 EARLY PROPERTY TAX PAYMENT DISCOUNT RATE RECOMMENDATION**

**WHEREAS**, pursuant to Section 1519-a of the New York City Charter, the Banking Commission shall send a written recommendation to the City Council of a proposed discount percentage for the early payment of property taxes for the ensuing fiscal year no later than the thirteenth of May, and

**WHEREAS**, The Banking Commission's impact analysis for FY2026 projects that the return on investments will result in approximately **\$29.6 million** of interest earned on taxes collected early. This will more than offset estimates of forgone tax revenue of negative **\$7.6 million** (discount given) plus forgone interest income on forgone taxes of **(\$359k)**, resulting in a net gain in revenue to the city of approximately **\$21.7 million**, and

**WHEREAS**, Semi-annual payers are billed twice per year and Quarterly payers four times, at an estimated total cost of \$7.40 per invoice. When taxpayers pay their entire year's property tax early, eliminating the need for further billing, the City saves from processing fewer invoices. In FY2025, a total of **111,006** property owners made early payments saving NYC an estimated **\$1.6 million** in invoicing and administrative costs. If similar savings are realized in FY2026, the total impact of the **0.50%** discount will be a positive **\$23.3 million**, and

**WHEREAS**, New York City's Cash Flow projection for June 30th, 2025, the end of FY25, is approximately **\$6.8 billion**. The Banking Commission does not recommend increasing the discount rate from 50 bps (0.50%) to 100 bps (1.0%). A 1.0% rate will not materially increase the cash flow but would further reduce the City's tax revenue from negative **\$7.6 million** to negative **\$15.2 million**, and

**WHEREAS**, there is no economic reason for the Banking Commission to change the discount rate of 50 bps (0.50%) in FY2026. The impact of having this discount rate in place translates to a total net gain to the city of positive **\$23.3 million**. If the **statutory default rate of 120 bps (1.20%)** were to be invoked, the City's net loss would be negative **\$18.2 million**. If the Banking Commission were to increase the discount rate to 100 bps (1.0%), this would result in a revenue loss of approximately **\$15.2 million**; now, therefore be it

**RESOLVED**, the Banking Commission recommends to the City Council that the discount rate for the early payment of real property taxes shall remain at 50 basis points (0.50%) per annum for FY2026, and be it further

**RESOLVED**, that said discount rate is to be offered only for that portion of the real estate tax that is paid before the due date.

## **RESOLUTION NO. 2 – FY2026 LATE PAYMENT RATE FOR CERTAIN PROPERTY TAX PAYMENT PLANS RECOMMENDATION**

**WHEREAS**, pursuant to Local Law 36 of the City of New York 2023, the Banking Commission shall send a written recommendation to the City Council of a proposed late payment interest rate for the late payment of certain property tax payment plans for the ensuing fiscal year no later than the thirteenth of May, and

**WHEREAS**, the May 2025 Applicable Federal Rate is **4.05%**, which under Local Law 36 of 2023 must be rounded to the nearest half a percentage point for a base rate of **4.50%**, and

**WHEREAS**, the Applicable Federal Rate has decreased almost **101** basis points since last July, and

**WHEREAS**, a rate lower than the current Applicable Federal Rate has further tax implications for the people the law was written to help; now, therefore be it

**RESOLVED**, the Banking Commission recommends to the City Council that the late payment rate for certain Property Tax Payment Plans shall be set at **five percent (5%)** per annum for FY2026.

**RESOLUTION NO. 3 – FY2026 LATE PROPERTY TAX PAYMENT INTEREST RATE  
RECOMMENDATION FOR PROPERTIES ASSESSED NO MORE THAN \$250,000**

**WHEREAS**, pursuant to the New York City Administrative Code Section 11-224.1, the Banking Commission is required to recommend to the City Council, no later than the thirteenth of May, the proposed interest rates to be charged for non-payment of taxes for properties with an assessed value of not more than two hundred fifty thousand dollars (\$250,000), or not more than two hundred fifty thousand dollars (\$250,000) per residential unit for co-ops, and

**WHEREAS**, the proposed interest rate shall be at least equal to the prevailing interest rate charged for commercial loans extended to prime borrowers by commercial banks operating in the City (the “prime rate”), and

**WHEREAS**, the Banking Commission notes that as of May 13, 2025, said prime rate stands at **7.50 percent (7.50%)**, as published by the Board of Governors of the Federal Reserve System, and

**WHEREAS**, the Federal Reserve plans to keep rates at these levels for an extended period of time. This decision was influenced by concerns about the rising risks of higher unemployment and inflation. At this time there is much uncertainty in the global economy, and the FOMC does not expect it will be appropriate to reduce the target rates until it has gained greater confidence that inflation is moving sustainably toward 2 percent, and

**WHEREAS**, it is in the City’s best interest to encourage the prompt payment of property taxes by all taxpayers, now therefore, be it

**RESOLVED**, the Banking Commission recommends to the City Council that the late payment interest rate to be charged for non-payment of taxes for all properties with an assessed value of not more than two hundred fifty thousand dollars (\$250,000), or not more than two hundred fifty thousand dollars (\$250,000) per residential unit for co-ops, be set at eight percent (**8%**) per annum for FY2026.

**RESOLUTION NO. 4 – FY2026 LATE PROPERTY TAX PAYMENT INTEREST RATE  
RECOMMENDATION FOR PROPERTIES ASSESSED GREATER THAN \$250,000 BUT LESS  
THAN OR EQUAL TO \$450,000**

**WHEREAS**, pursuant to Local Law 24 of 2021, the Banking Commission is required to recommend to the City Council, no later than the thirteenth of May, the proposed interest rate to be charged for non-payment of taxes for properties with an assessed value of more than two hundred fifty thousand dollars (\$250,000)

but less than or equal to four hundred fifty thousand dollars (\$450,000), or more than two hundred fifty thousand dollars (\$250,000) but less than or equal to four hundred fifty thousand dollars (\$450,000) per residential unit for co-ops, and

**WHEREAS**, said provisions of Local Law 24 require the Banking Commission to propose a rate at least four percentage points (4.0%) per annum greater than the prevailing interest rate charged for commercial loans extended to prime borrowers by commercial banks operating in the City (the “prime rate”), and

**WHEREAS**, the Banking Commission notes for the record that as of May 13, 2025, said prime rate stands at **7.50 percent (7.50%)**, as published by the Board of Governors of the Federal Reserve System, and

**WHEREAS**, it is in the City’s best interest to encourage the prompt payment of real estate taxes by all taxpayers, now, therefore, be it

**RESOLVED**, the Banking Commission recommends to the City Council that the late payment interest rate to be charged for non-payment of real property taxes where the assessed value of a property is more than two hundred fifty thousand dollars (\$250,000), but less than or equal to four hundred fifty thousand dollars (\$450,000), or more than two hundred fifty thousand dollars (\$250,000) but less than or equal to four hundred fifty thousand dollars (\$450,000) per residential unit for co-ops, be set at fifteen percent (**15%**) per annum for FY2026.

#### **RESOLUTION NO. 5 – FY2026 LATE PROPERTY TAX PAYMENT INTEREST RATE RECOMMENDATION FOR PROPERTIES ASSESSED GREATER THAN \$450,000**

**WHEREAS**, pursuant to the New York City Administrative Code Section 11-224.1, the Banking Commission is required to recommend to the City Council, no later than the thirteenth of May, the proposed interest rate to be charged for non-payment of taxes for properties with an assessed value of more than four hundred fifty thousand dollars (\$450,000), or more than four hundred fifty thousand dollars (\$450,000) per residential unit for co-ops, and

**WHEREAS**, said provisions of the Administrative Code require the Banking Commission to propose a rate at least six percentage points (**6.0%**) per annum greater than the prevailing interest rate charged for commercial loans extended to prime borrowers by commercial banks operating in the City (the “prime rate”), and

**WHEREAS**, the Banking Commission notes for the record that as of May 13, 2025, said prime rate stands at **7.50 percent (7.50%)**, as published by the Board of Governors of the Federal Reserve System, and

**WHEREAS**, it is in the City’s best interest to encourage the prompt payment of real estate taxes by all taxpayers, now, therefore, be it

**RESOLVED**, the Banking Commission recommends to the City Council that the late payment interest rate to be charged for non-payment of real estate taxes where the assessed value of a property is more than four hundred fifty thousand dollars (\$450,000), or more than four hundred fifty thousand dollars (\$450,000) per residential unit for co-ops, be set at eighteen per cent (**18%**) per annum for FY2026.

#### **RESOLUTION NO. 6 – 2025 APPROVAL OF NYC DEPOSITORY BANKS**



**WHEREAS**, pursuant to Section 1524 of the New York City Charter, the Banking Commission is responsible for designating banks that are permitted to hold City funds; and

**WHEREAS**, pursuant to Title 22 of the Rules of the City of NY (RCNY) § 1-03(b), the term of a designation shall be for a period of no longer than two years, unless the Banking Commission by majority vote extends such designation period; and

**WHEREAS**, the following 31 banks have submitted the required documents and meet the requirements to become NYC Depository Banks pursuant to Title 22:

- |    |                                  |    |                                     |
|----|----------------------------------|----|-------------------------------------|
| 1  | Amalgamated Bank                 | 17 | Modern Bank, N.A.                   |
| 2  | Bank of America, N. A.           | 18 | M&T Bank                            |
| 3  | BankUnited, N.A.                 | 19 | Peapack Private Bank & Trust        |
| 4  | BMO Bank N.A.                    | 20 | PNC Bank, N.A.                      |
| 5  | BNY Mellon, N.A.                 | 21 | Ponce Bank                          |
| 6  | Citibank, N.A.                   | 22 | Popular Bank                        |
| 7  | Citizens Bank, N.A.              | 23 | Ridgewood Saving Bank               |
| 8  | ConnectOne Bank                  | 24 | Santander Bank, N.A.                |
| 9  | Dime Community Bank              | 25 | Spring Bank                         |
| 10 | Flagstar Bank, N.A.              | 26 | State Street Bank and Trust Company |
| 11 | Flushing Bank                    | 27 | TD Bank, N.A.                       |
| 12 | International Finance Bank       | 28 | U.S. Bank N.A.                      |
| 13 | Israel Discount Bank of New York | 29 | Valley National Bank                |
| 14 | JPMorgan Chase Bank, N.A.        | 30 | Webster Bank, N.A.                  |
| 15 | KeyBank N.A.                     | 31 | Wells Fargo Bank, N.A.              |
| 16 | Metropolitan Commercial Bank     |    |                                     |

**RESOLVED**, the Banking Commission approves the listed banks to become NYC Depository Banks for two years.

#### **RESOLUTION NO. 7 – Necessity Exception of Capital One Bank.**

**WHEREAS**, pursuant to Section 1524 of the New York City Charter, the Banking Commission is responsible for designating banks that are permitted to hold City funds; and

**WHEREAS**, pursuant to the Title 22 RCNY § 1-03(e)(1)(ii), a NYC Depository Bank must submit required documentation; and

**WHEREAS**, in accordance with Title 22 RCNY, Capital One Bank chose not to submit documentation required for designation; and

**WHEREAS** the bank provides unique services for the Department of Housing Preservation and Development that cannot easily be duplicated with another provider; therefore, be it

**RESOLVED**, the Banking Commissioners hereby designate Capital One Bank as a Depository Bank commencing May 13, 2025 until current HPD agreements expire.

## **RESOLUTION NO. 8 – PONCE BANK BRONX BDD DEPOSIT**

**WHEREAS**, the New York State Department of Financial Services has approved the first branch of Ponce Bank to participate in the Banking Development District (BDD) program; and

**WHEREAS**, Ponce Bank has requested that the City of New York make a \$10 Million deposit at its Bronx BDD branch located at 2244 Westchester Avenue in the Bronx: therefore, be it

**RESOLVED**, the Banking Commission approves a \$10 Million New York City BDD deposit at the Ponce Bank Bronx BDD branch.

Dated May 13, 2025

*The NYC Banking Commission approved Resolutions No. 1-8.*