



NEW YORK CITY BANKING COMMISSION

66 JOHN STREET, 12TH FL., NEW YORK, NY 10038
(212) 291-4840

Elaine A. Kloss, *Secretary*

May 20, 2014

Honorable Melissa Mark-Viverito
Speaker of the Council
City Hall
New York, NY 10007

Re: Interest Rates for Fiscal Year (FY) 2015 for:
Non-Payment of Real Estate Taxes;
Non-Payment of Water and Sewer Rents; and
Early Payment (Discount) of Real Estate Taxes.

Dear Ms. Mark-Viverito:

Pursuant to Sections 11-224.1, 11.312(c), 11-313(e) of the New York City Administrative Code and Section 1519(a) of the New York City Charter, at its meeting on May 20, 2014, the NYC Banking Commission approved resolutions recommending to the City Council the following proposed interest rates to be charged for non-payment of real estate taxes and for non-payment of water and sewer rents, and the discount rate for early payment of real estate taxes for fiscal year 2015:

- a. Nine percent (9.00%) per annum for non-payment of taxes for real estate with an assessed value of not more than two hundred fifty thousand dollars (\$250,000.00), or not more than two hundred fifty thousand dollars (\$250,000.00) per residential unit for co-ops;
- b. Eighteen percent (18.00%) per annum for non-payment of taxes for real estate with an assessed value of more than two hundred fifty thousand dollars (\$250,000.00), or more than two hundred fifty thousand dollars (\$250,000.00) per residential unit for co-ops, or where irrespective of the assessed value, the parcel consists of vacant or unimproved land;
- c. Nine percent (9.00%) per annum for non-payment of water and sewer rents for real estate with an assessed value of not more than two hundred fifty thousand dollars (\$250,000.00), or not more than two hundred fifty thousand dollars (\$250,000.00) per residential unit for co-ops;
- d. Eighteen percent (18.00%) per annum for non-payment of water and sewer rents for real estate with an assessed value of more than two hundred fifty thousand dollars (\$250,000.00), or more than two hundred fifty thousand dollars (\$250,000.00) per residential unit for co-ops;
- e. One percent (1.00%) discount per annum applied to the portion of the real estate tax that is paid no later than the due date.

The Banking Commission's FY2015 interest rate recommendations remain unchanged from the prior fiscal year. Attached are copies of the Banking Commission resolutions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Elaine A. Kloss", is written over a large, light blue circular scribble.

Elaine A. Kloss
Assistant Commissioner of Finance and Treasurer

Attachment

Cc: Honorable Bill de Blasio
Comptroller Scott M. Stringer
Commissioner of Finance Jacques Jiha, Ph.D.

Resolution No. 1 – Interest Rate Recommendation (Real Estate)

WHEREAS, pursuant to the New York City Administrative Code §11-224.1, the Banking Commission is required to recommend to the City Council, not later than the twenty-fifth day of May, the proposed interest rate to be charged for non-payment of taxes for real estate 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 20, 2014, said prime rate stands at three and one-quarter per cent (3.25%), 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 taxes for real estate by all taxpayers, now, therefore be it

RESOLVED, the Banking Commission recommends to the City Council that the 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, remains nine per cent (9%) per annum for fiscal year 2014, and be it further

Dated May 20, 2014

Resolution No. 2 – Interest Rate Recommendation (Real Estate)

WHEREAS, pursuant to the New York City Administrative Code §11-224.1, the Banking Commission is required to recommend to the City Council, not later than the twenty-fifth day of May, the proposed interest rate to be charged for non-payment of taxes for real estate with an assessed value of more than two hundred fifty thousand dollars (\$250,000), or more than two hundred fifty thousand dollars (\$250,000) per residential unit for co-ops, or where, irrespective of the assessed value, the parcel consists of vacant or unimproved land,

WHEREAS, said provisions of the Administrative Code require the Banking Commission to propose a rate at least six percentage points (6%) 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 that as of May 20, 2014, said prime rate stands at three and one-quarter per cent (3.25%), 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 taxes for real estate by all taxpayers, now, therefore be it

RESOLVED, the Banking Commission recommends to the City Council that the interest rate to be charged for non-payment of taxes for real estate where the assessed value on a parcel is over two hundred fifty thousand dollars (\$250,000), or over two hundred fifty thousand dollars

(\$250,000) per residential unit for co-ops, or where, irrespective of the assessed value, the parcel consists of vacant or unimproved land remains eighteen per cent (18%) per annum for fiscal year 2014, and be it further

Dated May 20, 2014

Resolution No. 3 – Interest Rate Recommendation (Water and Sewer Rents)

WHEREAS, pursuant to the New York City Administrative Code §§11-312(c) and 11-313(e) and 11-224.1, the Banking Commission is required to recommend to the City Council, not later than the twenty-fifth day of May, the proposed interest rate to be charged for non-payment of water and sewer rents, and

WHEREAS, the proposed interest rate to be charged for non-payment of water and sewer rents for properties with an assessed value of not more than two hundred fifty thousand dollars (\$250,000), shall be at least equal to the said prime rate, and

WHEREAS, the Banking Commission notes that as of May 20, 2014, the said prime rate stands at three and one-quarter per cent (3.25%), as published by the Board of Governors of the Federal Reserve System, now, therefore, be it

RESOLVED, that the Banking Commission recommends to the City Council that the interest rate to be charged for non-payment of water and sewer rents 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, remains nine per cent (9%) per annum for fiscal year 2014, and be it further

Dated May 20, 2014

Resolution No. 4 – Interest Rate Recommendation (Water and Sewer Rents)

WHEREAS, pursuant to the New York City Administrative Code §§11-312(c) and 11-313(e) and 11-224.1, the Banking Commission is required to recommend to the City Council, not later than the twenty-fifth day of May, the proposed interest rate to be charged for non-payment of water and sewer rents, and

WHEREAS, pursuant to said provisions of the Administrative Code, the proposed interest rate to be charged for non-payment of water and sewer rents for a property with an assessed value of more than two hundred fifty thousand dollars (\$250,000) shall be at least six percentage points (6%) 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 that as of May 20, 2014, the said prime rate stands at three and one-quarter per cent (3.25%), as published by the Board of Governors of the Federal Reserve System, now, therefore, be it

RESOLVED, that the Banking Commission recommends to the City Council that the interest rate to be charged for non-payment of water rents and sewer rents for all properties with an assessed value of more than two hundred fifty thousand dollars (\$250,000), or more than two hundred fifty thousand dollars (\$250,000) per residential unit for co-ops, remains eighteen percent (18%) per annum for fiscal year 2014, and be it further

Dated May 20, 2014

Resolution No. 5 – Discount Rate Recommendation (Real Estate)

WHEREAS, pursuant to Section 1519(a) of the City Charter, the Banking Commission is required to recommend to the City Council, not later than the twenty-fifth of May, the proposed discount percentage allowed for early payment of real estate taxes, now, therefore be it

RESOLVED, the Banking Commission recommends to the City Council, the discount percentage that shall be allowed for early payment of real estate taxes shall be one percent (1%) per annum for fiscal year 2014, 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 no later than the due date of a previous installment of real estate property taxes.

Dated May 20, 2014

The NYC Banking Commission unanimously approved Resolutions No. 1-5.