

STATE OF NEW YORK

5737

2013-2014 Regular Sessions

IN SENATE

June 10, 2013

Introduced by Sen. GOLDEN -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government

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 two thousand fourteen

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 (y) to read as follows:
3 (y) 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 fourteen, the current base proportion of
7 any class shall not exceed the adjusted base proportion or adjusted
8 proportion, whichever is appropriate, of the immediately preceding year
9 by more than one percent. Where the computation performed pursuant to
10 paragraph (b) of this subdivision would otherwise produce such result,
11 the current base proportion of such class or classes shall be limited to
12 a one percent increase and the legislative body of such special assess-
13 ing unit shall alter the current base proportion of any or all remaining
14 classes so that the sum of the 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 2014 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,
21 resetting the real property tax rates and sending amended real property
22 tax bills. Provided, however, that nothing in this act shall be deemed
23 to affect the obligation of any taxpayer with respect to the payment of
24 any installment of real property tax for such fiscal year which was due

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

LBD11382-01-3

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1 and payable prior to the date such amended real property tax bills are
2 sent; for this purpose, such obligations shall be determined in accord-
3 ance with the applicable provisions of law that were in effect imme-
4 diately prior to the effective date of this act, and such city shall be
5 authorized to determine the date on which amended bills are to be sent
6 and the installments of real property tax which are to be reflected
7 therein.

8 § 3. This act shall take effect immediately.

**NEW YORK STATE SENATE
INTRODUCER'S MEMORANDUM IN SUPPORT
submitted in accordance with Senate Rule VI. Sec 1**

BILL NUMBER: S5737

SPONSOR: GOLDEN

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 two thousand fourteen

SUMMARY OF PROVISIONS: This bill would amend section 1803-a of the Real Property Tax Law to cap the maximum class growth rate at one percent for fiscal year 2014.

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 one-, two-, and three-family homes, to increase, as it has done over the past several years.

This bill is designed to provide relief for the residential property tax class one without placing a burden on to class two which is the other residential tax class. The "uncapped" current base proportions of class one would grow by over 4 percent from fiscal year 2013, under the State Board's calculations. Currently, State law provides that the current base proportion of anyone 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 1 percent for New York City. The effect of this change would be to reduce the amount by which the current base proportions for any class, including one, is allowed to grow, resulting in citywide savings of about \$120 for a typical owner of a class one single family home. Bringing the cap any lower than 1 percent would provide greater savings to class one owners, but would cause the tax rate for class two to increase. Under a cap of 1 percent, class two properties will see virtually the same tax rate as they did in fiscal year 2013.

Failure to enact this legislation would leave the City Council no option but to adopt the default SBRPS formula for establishing class shares. In that case, the estimated tax rate increase for class one would be over 6%, which when coupled with assessment increases, would cause significant increases in the tax bills for residential homeowners. That tax rate increase for class one, resulting from SBRPS procedures, is avoidable only through passage of this legislation.

FISCAL IMPLICATION: Council Finance estimates this legislation, like all similar previous legislations, will have no impact on expenditures and revenues.

EFFECTIVE DATE: Immediately.

STATE OF NEW YORK

7827

2013-2014 Regular Sessions

IN ASSEMBLY

June 5, 2013

Introduced by M. of A. FARRELL -- read once and referred to the Committee on Real Property Taxation

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 two thousand fourteen

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 (y) to read as follows:
 3 (y) 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 fourteen, the current base proportion of
 7 any class shall not exceed the adjusted base proportion or adjusted
 8 proportion, whichever is appropriate, of the immediately preceding year
 9 by more than one percent. Where the computation performed pursuant to
 10 paragraph (b) of this subdivision would otherwise produce such result,
 11 the current base proportion of such class or classes shall be limited to
 12 a one percent increase and the legislative body of such special assess-
 13 ing unit shall alter the current base proportion of any or all remaining
 14 classes so that the sum of the 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 2014 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,
 21 resetting the real property tax rates and sending amended real property
 22 tax bills. Provided, however, that nothing in this act shall be deemed
 23 to affect the obligation of any taxpayer with respect to the payment of
 24 any installment of real property tax for such fiscal year which was due

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
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1 and payable prior to the date such amended real property tax bills are
2 sent; for this purpose, such obligations shall be determined in accord-
3 ance with the applicable provisions of law that were in effect imme-
4 diately prior to the effective date of this act, and such city shall be
5 authorized to determine the date on which amended bills are to be sent
6 and the installments of real property tax which are to be reflected
7 therein.

8 § 3. This act shall take effect immediately.

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

BILL NUMBER: A7827

SPONSOR: Farrell

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 two thousand fourteen

PURPOSE OR GENERAL IDEA OF BILL: This bill would amend section 1103-a of the Real Property Tax Law to cap the maximum class growth rate at one percent for fiscal year 2014.

SUMMARY OF SPECIFIC PROVISIONS: 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 one-, two-, and three-family homes, to increase, as it has done over the past several years.

JUSTIFICATION: This bill is designed to provide relief for the residential property tax class one without placing a burden on to class two which is the other residential tax class. The "uncapped" current base proportions of class one would grow by over 4 percent from fiscal year 2013, under the State Board's calculations. Currently, State law provides that the current base proportion of anyone 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 1 percent for New York City. The effect of this change would be to reduce the amount by which the current base proportions for any class, including one, is allowed to grow, resulting in citywide savings of about \$120 for a typical owner of a class one single family home. Bringing the cap any lower than 1 percent would provide greater savings to class one owners, but would cause the tax rate for class two to increase. Under a cap of 1 percent, class two properties will see virtually the same tax rate as they did in fiscal year 2013.

Failure to enact this legislation would leave the City Council no option but to adopt the default SBRPS formula for establishing class shares. In that case, the estimated tax rate increase for class one would be over 6%, which when coupled with assessment increases, would cause significant increases in the tax bills for residential homeowners. That tax rate increase for class one, resulting from SBRPS procedures, is avoidable only through passage of this legislation.

PRIOR LEGISLATIVE HISTORY: New bill.

FISCAL IMPLICATIONS: There would be no impact on expenditures and revenues as a result of this legislation.

EFFECTIVE DATE: This act shall take effect immediately.
