



**THE COUNCIL  
THE CITY OF NEW YORK  
FINANCE DIVISION  
250 BROADWAY, 15<sup>TH</sup> FLOOR  
NEW YORK, N.Y. 10007-2594  
(212) 788-6921**

**TO:** Honorable Adrienne E. Adams  
Speaker

Honorable Justin Brannan  
Chair, Finance Committee

**FROM:** Tanisha S. Edwards, Esq.,  
Chief Financial Officer and Deputy Chief of Staff to the Speaker  
Raymond Majewski, Deputy Director/Chief Economist, Finance Division  
Paul Sturm, Supervising Economist  
Nashia Roman, Economist  
Noah Brick, Assistant Counsel

**DATE:** April 14, 2022

**SUBJECT:** A Budget Modification (MN-4) for Fiscal 2022 that will appropriate \$1.94 billion in new revenues.

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**INITIATION:** By letter dated March 15, 2022, the Director of the Office of Management and Budget submitted to the Council, pursuant to section 107(e) of the New York City Charter, a request to appropriate \$1.94 billion in new revenues. These new revenues with an additional \$400 million of Prior Year Payables and an adjustment of \$430 million to the General Reserve, will be used to increase the Budget Stabilization Account by \$2.77 billion.

**BACKGROUND:** This modification (MN-4) seeks to recognize \$1.94 billion in new revenues, implementing changes reflected since the November 2021 Financial Plan. These funds will add \$2.77 billion to the Budget Stabilization Account to prepay debt service for Fiscal 2023 expenses. There is also a downward adjustment of the Fiscal 2022 General Reserve.

**FISCAL IMPACT:** This modification represents a net increase in the Fiscal 2022 budget of \$1.94 billion.

# THE COUNCIL

## REPORT OF THE COMMITTEE ON FINANCE

### RESOLUTION APPROVING A MODIFICATION (MN-4) PURSUANT TO SECTION 107(e) OF THE CHARTER OF THE CITY OF NEW YORK

The Committee on Finance, to which was referred the above-captioned resolution, respectfully submits to the Council of the City of New York the following:

#### REPORT

Introduction. At the meeting of the Committee on Finance of the City Council on April 14, 2022, the Council considered a communication from the Office of Management and Budget of the Mayor, dated March 15, 2022, of a proposed request to modify, pursuant to Section 107(e) of the Charter of the City of New York, the Fiscal 2022 Expense Budget Plan, and the revenue estimate related thereto prepared by the Mayor as of March 15, 2022.

Analysis. The Council annually adopts the City's budget covering expenditures pursuant to Section 254 of the Charter. On June 30, 2021, the Council adopted the expense budget for fiscal year 2022 (the "Fiscal 2022 Expense Budget"). On December 15, 2021, the Council adopted MN-1, modifying the Fiscal 2022 Expense Budget, and MN-2, which appropriated new revenues. On March 15, 2022, the Mayor submitted to the Council MN-3, modifying the Fiscal 2022 Expense Budget. On March 15, 2022, the Mayor submitted to the Council a revenue estimate MN-4, related to the Fiscal 2022 Expense Budget.

Circumstances have changed since the Council last adopted the Fiscal 2022 Expense Budget.

Section 107(e) provides one mechanism for the Mayor and the Council to amend the Expense Budget and related revenue estimate to reflect changes in circumstances that occur after adoption of a budget. Section 107(e) permits the modification of the budget in order to create new units of appropriation, to appropriate new revenues from any source other than categorical federal, state and private funding, or to use previously unappropriated funds received from any source.

Discussion of Above-captioned Resolution. The above-captioned resolution would authorize the modifications to the Fiscal 2022 Expense Budget and related revenue estimate requested in the communication.

The Expense Modification (MN-3) and this Revenue Modification (MN-4) work in conjunction to move funds from Fiscal 2022 to Fiscal 2023. In Fiscal 2022, the General Reserve initially contains \$300 million, as described in the November 2021 Financial Plan. MN-3 adds \$380 million to the General Reserve, increasing the Reserve to \$680 million. MN-4, in turn, draws down the General Reserve by \$430 million, reducing the General Reserve to \$250 million, as described in the February 2022 Financial Plan. This \$430 million drawdown from the General Reserve is used to supplement the \$1.94 billion in additional revenues and the \$400 million in Prior Year Payables

to furnish a total of \$2.77 billion to be added to the Budget Stabilization Account. The Budget Stabilization Account will use these Fiscal 2022 funds to prepay expenses in Fiscal 2023.

MN-4 seeks to increase revenues in the net amount of \$1.94 billion compared to the November 2021 Financial Plan, including \$1.6 billion in tax revenue, \$41.7 million in miscellaneous revenue, and \$294 million in unrestricted intergovernmental aid. This represents an increase in City funds of approximately 2.8 percent.

Tax revenues increased by \$1.6 billion since the November 2021 Financial Plan. The majority of the increase, \$428 million, came from personal income tax. Additional tax revenues included \$281 million in real property transfer and \$265 million in sales tax. Business taxes also came stronger than expected with \$215 million in unincorporated and \$189 million in general corporation.

Miscellaneous revenues increased by \$41.7 million since the November 2021 Financial Plan. This included \$28.4 million in fines and forfeitures, \$15.0 million in licenses, franchises, etc. and \$14.5 million water sewage charges. Offsetting these increases was \$22.3 million in reduced revenues from charges for services.

Unrestricted intergovernmental aid increased by \$294 million since the November 2021 Financial Plan.

The resolution would also direct the City Clerk to forward a certified copy thereof to the Mayor and the Comptroller so that the Mayor, the Comptroller and the City Clerk may certify the Fiscal 2022 Expense Budget as amended thereby as the budget for the remainder of the fiscal year. The above-captioned resolution would take effect as of the date adopted.

Preconsidered Res. No. 124

RESOLUTION APPROVING A MODIFICATION (MN-4) PURSUANT TO SECTION 107(e) OF THE CHARTER OF THE CITY OF NEW YORK.

By Council Member Brannan

**Whereas,** At a meeting of the Committee on Finance of the City Council of the City of New York (the "City Council") on April 14, 2022, the Committee on Finance considered a communication, dated March 15, 2022, from the Office of Management and Budget of the Mayor of the City of New York (the "Mayor"), of a proposed request to recognize a net increase in revenue pursuant to Section 107(e) of the Charter of the City of New York (the "Charter"), attached hereto as Exhibit A (the "Request to Appropriate"); and

**Whereas,** Section 107(e) of the Charter requires the City Council and the Mayor to follow the procedures and required approvals pursuant to Sections 254, 255, and 256 of the Charter, without regard to the dates specified therein, in the case of the proposed appropriation of any new revenues and the creation of new units of appropriation; and

**Whereas,** Section 107(e) of the Charter requires that any request by the Mayor respecting an amendment of the budget that involves an increase in the budget shall be accompanied by a statement of the source of current revenues or other identifiable and currently available funds required for the payment of such additional amounts, attached hereto as Exhibit B (together with the Request to Appropriate, the "Revenue Modification");

**NOW, THEREFORE,** The Council of the City of New York hereby resolves as follows:

**1. Approval of Modification.** The City Council hereby approves the Revenue Modification pursuant to Section 107(e) of the Charter.

**2. Further Actions.** The City Council directs the City Clerk to forward a certified copy of this resolution to the Mayor and the Comptroller as soon as practicable so that the Mayor, the Comptroller and the City Clerk may certify the Fiscal 2022 Expense Budget as amended by this resolution as the budget for the remainder of the fiscal year.

**3. Effective Date.** This resolution shall take effect as of the date hereof.

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Council of the City of New York on April 14, 2022 on file in this office.

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**Clerk of the Council of The City  
of New York**



The City of New York  
**Mayor's Office of Management and Budget**  
255 Greenwich Street · New York, New York 10007  
Telephone: 212-788-5900 Email: jihaj@omb.nyc.gov

**Jacques Jiha, Ph.D.**  
*Director*

March 15, 2022

TO THE CITY COUNCIL

Dear Council Members:

In accordance with Section 107(e) of the New York City Charter, I seek your approval to appropriate new City revenues in fiscal year 2022 in the amount of \$1.94 billion.

This modification (MN-4) implements revenue budget changes reflected in the City's February Financial Plan. The \$1.94 billion of new revenues combined additional resources of \$400 million of Prior Year Payables and an adjustment to the General Reserve will be used to prepay \$2.77 billion of fiscal year 2023 expenses in fiscal year 2022.

Your approval of modification MN-4 is respectfully requested.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jacques Jiha'.

Jacques Jiha, Ph.D.  
Director

**FISCAL YEAR 2022 MODIFICATION  
MN-4**

099	Debt Service	
	004 Budget Stabilization Account	\$ 2,767,689,787

TOTAL		<u>\$ 2,767,689,787</u>
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**Exhibit B - MN 4  
Changes in Revenue Source**

Agency Name	Source	Description	Fiscal 2022
		<b>SUMMARY</b>	
		<b>TAX AND AUDIT REVENUE CHANGES</b>	
		Real Estate	\$124,000,000
		Sales	265,000,000
		Mortgage Recording	61,000,000
		Personal Income	428,000,000
		General Corporation	189,000,000
		Unincorporated Business	215,000,000
		Utility	(1,000,000)
		Hotel	33,000,000
		Commercial Rent	10,000,000
		Real Property Transfer	281,000,000
		Others	(2,500,000)
		<b>TAX AND AUDIT REVENUE TOTAL</b>	<b>\$1,602,500,000</b>
		<b>MISCELLANEOUS</b>	
		Licences, Franchises, Etc.	\$14,993,000
		Charges for Services	(22,576,540)
		Water Sewage Charges	14,506,000
		Fines and Forfeitures	28,394,000
		Rental Income	(1,896,000)
		Other Miscellaneous	8,249,000
		<b>MISCELLANEOUS TOTAL</b>	<b>\$41,669,460</b>
		<b>UNRESTRICTED AID</b>	
		Coronavirus Aid, Relief And Economic Security Act	\$294,000,000
		<b>UNRESTRICTED AID TOTAL</b>	<b>\$294,000,000</b>
		<b>GRAND TOTAL</b>	<b>\$1,938,169,460</b>

**Exhibit B - MN 4  
Changes in Revenue Source**

<b>Agency Name</b>	<b>Source</b>	<b>Description</b>	<b>Fiscal 2022</b>
<b>TAX AND AUDIT REVENUE CHANGES</b>			
Mayoralty	00001	Real Property Tax 1st Quarter	(\$57,704,000)
Mayoralty	00002	Real Property Tax 2nd Quarter	7,588,000
Mayoralty	00003	Real Property Tax 3rd Quarter	60,797,000
Mayoralty	00004	Real Property Tax 4th Quarter	86,319,000
Mayoralty	00021	Real Estate Tax Refund	(70,000,000)
Mayoralty	00026	State Aid School Tax Relief	(2,500,000)
Mayoralty	00034	Real Property Tax Lien Sales	(23,000,000)
Mayoralty	00049	Accrued Real Estate Tax Revenue	120,000,000
Mayoralty	00050	General Sales Tax	265,000,000
Mayoralty	00077	Mortgage Tax	61,000,000
Mayoralty	00090	Personal Income Tax	413,000,000
Mayoralty	00091	Refunds Of Personal Income Tax	15,000,000
Mayoralty	00093	General Corporation Tax	189,000,000
Mayoralty	00099	Unincorporated Business Inc Tax	207,000,000
Mayoralty	00100	Refunds Of Unicorp Busn Tax	8,000,000
Mayoralty	00103	Utility Tax	(1,000,000)
Mayoralty	00112	Tax On Occupancy Of Hotel Room	33,000,000
Mayoralty	00113	Tax On Commercial Rents - Occup	10,000,000
Mayoralty	00122	Conveyance Of Real Property Tax	281,000,000
<b>TAX AND AUDIT REVENUE CHANGES TOTAL</b>			<b>\$1,602,500,000</b>

**MISCELLANEOUS**

**Licences, Franchises, Etc.**

Mayoralty	00200	Licenses - General	\$1,750,000
Landmarks Preservation Commission	00250	Permits - General	200,000
Department Of Buildings	00250	Permits - General	(2,500,000)
Department Of Information Technology And Telecom	00320	Franchises - Other	17,543,000
Department Of Transportation	00325	Privileges - Other	(2,000,000)
<b>Licences, Franchises, Etc. Subtotal</b>			<b>\$14,993,000</b>

**Charges for Service**

District Attorney -Kings County	00400	Public Safety Services/fees	(\$26,000)
Department Of Health And Mental Hygiene	00430	Health Services/fees	(831,000)
Department Of Parks And Recreation	00450	Culture-recreation Service/fee	500,000
Office Of Administrative Tax Appeals	00470	Other Services And Fees	180,000
Department Of Investigation	00470	Other Services And Fees	(1,852,040)
Police Department	00470	Other Services And Fees	(8,995,000)
Fire Department	00470	Other Services And Fees	(17,135,000)
Department Of Probation	00470	Other Services And Fees	(200,000)
Housing Preservation And Development	00470	Other Services And Fees	13,403,500
Department Of Buildings	00470	Other Services And Fees	680,000
Department Of Sanitation	00470	Other Services And Fees	(650,000)
Department Of Finance	00470	Other Services And Fees	(1,800,000)
Public Administrator-bronx County	00470	Other Services And Fees	(210,000)
Department Of Transportation	00472	Parking Meter Revenues	(2,476,000)
Office Of Payroll Administration	00476	Administrative Serv To Public	(25,000)
Department Of Health And Mental Hygiene	00476	Administrative Serv To Public	(1,700,000)
Department Of Parks And Recreation	00476	Administrative Serv To Public	1,900,000
Public Administrator-new York County	00476	Administrative Serv To Public	(40,000)
Mayoralty	00476	Administrative Serv To Public	700,000
Department of Correction	00482	Commisary Funds	(4,000,000)
<b>Charges for Service Subtotal</b>			<b>(\$22,576,540)</b>

**Water and Sewage Charges**

Mayoralty	00521	Reimbursement From Water Board	\$14,506,000
<b>Water and Sewage Subtotal</b>			<b>\$14,506,000</b>



**Exhibit B - MN 4**  
**Changes in Revenue Source**

<b>Agency Name</b>	<b>Source</b>	<b>Description</b>	<b>Fiscal 2022</b>
<b>Fines and Forfeitures</b>			
Mayoralty	00600	Fines-general	(\$2,000,000)
Nyc Taxi And Limousine Commission	00600	Fines-general	(2,900,000)
Office Of Administrative Trials And Hearings	00600	Fines-general	(2,325,000)
Business Integrity Commission	00600	Fines-general	(450,000)
Department Of Finance	00600	Fines - General	16,250,000
Department Of Finance	00602	Fines - PVB	19,500,000
Department Of Finance	00602	Fines - PVB	571,000
District Attorney - New York County	00650	Forfeitures - General	(100,000)
District Attorney -kings County	00650	Forfeitures - General	(50,000)
District Attorney - Queens County	00650	Forfeitures - General	(100,000)
District Attorney -richmond County	00650	Forfeitures - General	(2,000)
<b><i>Fines and Forfeitures Subtotal</i></b>			<b><i>\$28,394,000</i></b>
<b>Rental Income</b>			
Department Of Parks And Recreation	00753	Rentals: Dock Ship Wharfage	(\$1,351,000)
Department Of Parks And Recreation	00755	Rentals: Yankee Stadium	(600,000)
Housing Preservation And Development	00760	Rentals: Other	55,000
<b><i>Rental Income Subtotal</i></b>			<b><i>(\$1,896,000)</i></b>
<b>Other Miscellaneous</b>			
Housing Preservation And Development	00815	Sales Of In Rem Property	\$2,687,000
Department Of Citywide Administrative Services	00822	Minor Sales	1,000,000
Police Department	00847	E-911 Surcharges	(2,000,000)
Police Department	00848	Wireless /Cell Phone Surcharges	2,000,000
Mayoralty	00859	Sundries	750,000
Board Of Elections	00859	Sundries	(1,000)
Department Of City Planning	00859	Sundries	(45,000)
Department For the Aging	00859	Sundries	700,000
Housing Preservation And Development	00859	Sundries	853,000
Department Of Health And Mental Hygiene	00859	Sundries	500,000
Department Of Sanitation	00859	Sundries	3,250,000
Department Of Sanitation	00859	Sundries	690,000
Department Of Information Technology And Telecom	00859	Sundries	(2,135,000)
<b><i>Other Miscellaneous Subtotal</i></b>			<b><i>\$8,249,000</i></b>
<b>MISCELLANEOUS TOTAL</b>			<b>\$41,669,460</b>
<b>UNRESTRICTED AID</b>			
Mayoralty	55037	Coronavirus Aid, Relief And Economic Security Act	\$294,000,000
<b>UNRESTRICTED AID TOTAL</b>			<b>\$294,000,000</b>
<b>GRAND TOTAL</b>			<b>\$1,938,169,460</b>