Legislation Text

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Res. No. 2016

Resolution to establish that the interest rate to be charged for Fiscal Year 2010 for non-payment of water rents and sewer rents be 18% per annum for real property where the assessed value is over $250,000, or over $250,000 per residential unit for cooperative apartments; and 9% per annum for real property where the assessed value is not more than $250,000, or not more $250,000 per residential unit for cooperative apartments.

By Council Members Weprin and Gerson

Whereas, Pursuant to sections 11-312(c) and 11-313(e) of the Administrative Code of the City of New York, the Banking Commission is required to recommend to the City Council, not later than the 25th of May of each year, the proposed interest rate to be charged for non-payment of water rents and sewer rents; and

Whereas, Sections 11-312 and 11-313 of the Administrative Code of the City of New York, as amended by Local Law No. 62 of 2005, allow the Council to adopt interest rates to be charged for non-payment of water rents and sewer rents that become due and payable on or after July 1, 2005 pursuant to section 11-224.1 of the Administrative Code of the City of New York; and

Whereas, Section 11-224.1 of the Administrative Code of the City of New York, as amended by Local Law No. 66 of 2008, requires the Banking Commission to propose a rate 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"), to be charged for non-payment of taxes on 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 cooperative apartments; and

Whereas, Section 11-224.1 of the Administrative Code of the City of New York requires the Banking Commission to propose a rate at least six percent (6%) per annum greater than the Prime Rate, to be charged for non-payment of taxes on 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 cooperative apartments; and

Whereas, The Banking Commission notes that as of May 20, 2009, the Prime Rate stands at three and one-quarter percent (3.25%) as published by the Federal Reserve Board of Governors; and

Whereas, The Banking Commission recommends to the City Council that the interest rate to be charged for non-payment of water rents and sewer rents be eighteen percent (18%) per annum for Fiscal Year 2010 where the assessed value of the property is more than two hundred fifty thousand dollars ($250,000), or more than two hundred fifty thousand dollars ($250,000) per residential unit for cooperative apartments; and

Whereas, The Banking Commission further recommends to the City Council, that the interest rate to be charged for non-payment of water rents and sewer rents be nine percent (9%) per annum for Fiscal Year 2010 where the assessed value of the property is 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 cooperative apartments; now, therefore, be it

Resolved, That the Council determines that the interest rate to be charged be eighteen percent (18%) per annum for Fiscal Year 2010 for non-payment of water rents and sewer rents on properties where the assessed value of the property is over $250,000, or over $250,000   per residential unit for cooperative apartments; and, be it further

Resolved, That the Council establishes that the interest rate to be charged for Fiscal Year 2010 for non-payment of water rents and sewer rents be nine percent (9%) per annum for real property where the assessed value is not more than $250,000, or not more than $250,000 per residential unit for cooperative apartments.

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