



Legislation Text

File #: Res 0414-2004, **Version:** *

Res. No. 414

Resolution to establish that the interest rate to be charged for Fiscal Year 2005 for non-payment of water rents and sewer rents be 18% per annum for any parcel where the annual real estate tax is more than \$2,750 or where the real estate taxes are held in escrow and paid to the Commissioner of Finance by a mortgage escrow agent or where the parcel consists of vacant or unimproved land; and 9% per annum in all other cases.

By Council Member Weprin

Whereas, Local Law 47 of 1976 requires the Banking Commission 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, The law requires the Banking Commission to propose a rate at least six percent (6%) per annum greater than the prevailing interest rates 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 water rents and sewer rents on a parcel on which the annual real estate tax is greater than \$2,750, or where the parcel consists of vacant or unimproved land, or where the real estate taxes are held in escrow and paid to the Commissioner of Finance by a mortgage escrow agent; and

Whereas, The law requires the Banking Commission to propose a rate at least equal to the Prime Rate, to be charged for non- payment of water rents and sewer rents on all other parcels; and

Whereas, The Banking Commission notes that the Prime Rate is currently 4%; 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 18% per annum for Fiscal Year 2005 where the annual real estate tax for a parcel is more than \$2,750, or for any parcel where the real property taxes are held

in escrow and paid to the Commissioner of Finance by a mortgage escrow agent, or where the parcel consists of vacant or unimproved land; and

Whereas, The Banking Commission further recommends that the interest rate to be charged for non-payment of water rents and sewer rents be 9% per annum in the case of all other parcels where the annual real estate tax is not more than \$2,750; now, therefore, be it

Resolved, That the Council determines that the interest rate to be charged for non-payment of water rents and sewer rents be 18% per annum for Fiscal Year 2005 for any parcel where the annual real estate tax is more than \$2,750 or where the real estate taxes are held in escrow and paid to the Commissioner of Finance by a mortgage escrow agent or where the parcel consists of vacant or unimproved land; and, be it further

Resolved, That the Council determines that the interest rate to be charged for non-payment of water rents and sewer rents be 9% per annum for Fiscal Year 2005 in the case of all other parcels where the annual real estate tax is not more than \$2,750; and, be it further

Resolved, That this resolution shall take effect immediately and shall be deemed to have been in effect as of July 1, 2005.

jc:ag
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