Legislation Details (With Text)

File #:	Res 0810-2019	**Version:**	*	**Name:**	Impose an additional tax on certain non-primary residence class one and class two properties in NYC. (S.44/A.4540)
Type:	Resolution			**Status:**	Filed (End of Session)
				In control:	Committee on Finance
On agenda:	3/28/2019				
Enactment date:				**Enactment #:**	

Title: Resolution calling upon the New York State Legislature pass, and the Governor to sign, S.44/A.4540 to impose an additional tax on certain non-primary residence class one and class two properties in New York City.

Sponsors: Mark Levine, Margaret S. Chin, Brad S. Lander

Indexes:

Attachments: 1. Res. No. 810, 2. March 28, 2019 - Stated Meeting Agenda with Links to Files, 3. Hearing Transcript - Stated Meeting 3-28-19, 4. Minutes of the Stated Meeting - March 28, 2019

Date	Ver.	Action By	Action	Result
3/28/2019	*	City Council	Introduced by Council	
3/28/2019	*	City Council	Referred to Comm by Council	
12/31/2021	*	City Council	Filed (End of Session)	

Res. No. 810

Resolution calling upon the New York State Legislature pass, and the Governor to sign, S.44/A.4540 to impose an additional tax on certain non-primary residence class one and class two properties in New York City.

By Council Members Levine, Chin and Lander

Whereas, Affordable housing is a fundamental aspect of a thriving New York City and critical to providing essential shelter, financial stability, and economic mobility for New Yorkers; and

Whereas, The creation and preservation of affordable housing is important to the Council and the de Blasio administration, which is working towards its goal to construct or preserve 300,000 affordable rental units by 2026; and

Whereas, According to the Furman Center, between 2000 and 2016, New York City's housing stock grew by approximately eight percent, while the adult population in the City grew 11 percent and the number of jobs grew by 16 percent; and

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Whereas, These statistics suggest that new housing supply is not keeping up with demand; and

Whereas, The Department of City Planning estimates the population of New York City to increase by a further 783,000 residents, or 9.5 percent, between 2018 and 2040; and

Whereas, According to the 2017 New York City Housing and Vacancy Survey ("HVS"), which is sponsored by the Department of Housing Preservation and Development and conducted every three years, the City's vacancy rate is 3.63 percent, well below the five percent that the City and State's rent regulation laws define as a housing emergency; and

Whereas, According to the HVS, between 2014 and 2017, while the total housing stock grew by 69,147 units, the number of units "vacant but unavailable for rent or sale" increased by 62,854 units during this same period;

Whereas, This means the effective housing stock for full-time residence only increased by a net 6,293 units from 2014 to 2017; and

Whereas, Encouraging units that are "vacant but unavailable for use" to become available is one way to use the City's housing stock more efficiently and thereby increase the effective housing stock; and

Whereas, Of the 62,854 increase in "vacant but unavailable units" between 2014 and 2017, nearly a third (20,181) are unavailable because they are being "held for occasional, season, or recreational use," which are often pied-a-terres; and

Whereas, This indicates that almost 30 percent of the net increase in the City's housing stock in this period was seen as growth in pied-a-terres, while only nine percent of the net increase is actually occupied or on the market; and

Whereas, High volumes of pied-a-terres can also decrease neighborhood livability, leading to a "ghost town" effect where streets lose vibrancy and retail businesses lose out on potential customers; and

Whereas, On January 9, 2019, Senator Brad Hoylman introduced S.44 in the New York State Senate, and on February 4, 2019 Assembly Member Deborah Glick introduced A.4540 in the New York State

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Assembly, which would be called "An act to amend the real property tax law, in relation to imposing an additional tax on certain non-primary residence class one and class two properties in a city with a population of one million or more;" and

Whereas, Specifically, S.44/A.4540 would authorize New York City to impose a graduated, additional property tax on certain non-primary residences with a market value of $5 million or more; and

Whereas, Such a tax would increase the availability and affordability of housing by providing a disincentive for keeping housing units vacant for use as pied-a-terres and could help fund the City's affordable housing programs; and

Whereas, According to 2014 estimates by James Parrott, now at the Center for New York City Affairs at The New School, imposing an additional property tax on high-value residences, whose owners are not using the property as their primary residence could generate $665 million per year in additional tax revenue; and

Whereas, Taxing pied-a-terres has become increasingly common in major cities around the world, including in Paris where the tax on owners of second homes amounts to a 20 percent surcharge on top of normal property taxes; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the New York State Legislature pass, and the Governor to sign, S.44/A.4540 to impose an additional tax on certain non-primary residence class one and class two properties in New York City.

DW/HG/RKC/KM
LS #1741, 1745
3/12/2019

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