



Legislation Details (With Text)

<b>File #:</b>	Res 0128-2022	<b>Version:</b>	*	<b>Name:</b>	Allow the limitation on increases of assessed value of individual parcels of class one properties to reset upon transfer.
<b>Type:</b>	Resolution	<b>Status:</b>		<b>In control:</b>	Committee on Finance
<b>On agenda:</b>	4/28/2022	<b>Enactment date:</b>		<b>Enactment #:</b>	
<b>Title:</b>	Resolution calling upon the New York State Legislature to introduce and pass, and the Governor to sign, legislation to allow the limitation on increases of assessed value of individual parcels of class one properties to reset upon transfer.				
<b>Sponsors:</b>	Joseph C. Borelli, Kalman Yeger				
<b>Indexes:</b>					
<b>Attachments:</b>	1. Res. No. 128, 2. April 28, 2022 - Stated Meeting Agenda, 3. Hearing Transcript - Stated Meeting 4-28-22, 4. Minutes of the Stated Meeting - April 28, 2022				

Date	Ver.	Action By	Action	Result
4/28/2022	*	City Council	Introduced by Council	
4/28/2022	*	City Council	Referred to Comm by Council	

Res. No. 128

Resolution calling upon the New York State Legislature to introduce and pass, and the Governor to sign, legislation to allow the limitation on increases of assessed value of individual parcels of class one properties to reset upon transfer.

By Council Members Borelli and Yeger

Whereas, Pursuant to the New York State Real Property Tax Law (RPTL), class one properties generally includes all one-to-three family residential homes in the City; and

Whereas, The market value of a property is the worth of the property as determined by the New York City Department of Finance based on its classification and other requirements; and

Whereas, The assessed value of a property is a figure assigned to the property, based on a set percent of its market value, for the purpose of computing the property tax; and

Whereas, The RPTL limits the amount by which the assessed value of an individual parcel of class one property can increase; and

Whereas, In any one year, the assessed value of a class one property cannot increase by more than six percent over the prior year's assessment and not more than twenty percent over a five-year period; and

Whereas, This cap applies only to increases in assessment due to market forces and does not apply to increases resulting from physical alterations or the expiration of any tax exemption; and

Whereas, The purpose of the cap is to ensure that an individual's property tax bill does not fluctuate too much from year-to-year; and

Whereas, Under current law, the first of the five-year periods is measured from 1980 for parcels that were on the assessment roll at that time, or from the first year after 1980 in which such parcel was added to the assessment roll; and

Whereas, In essence, assessment caps are tied to the property and do not reset when a property is transferred from owner to owner; and

Whereas, As a result, the assessed values of rapidly appreciating homes, often located in higher-income neighborhoods, are artificially suppressed thereby causing the assessed values to not keep up with the market values and for the property tax liabilities to be less than they would be were the cap not in place; and

Whereas, This allows higher-income homeowners in those areas to receive significant breaks in their property tax liabilities while homeowners in middle-income and low-income neighborhoods where the properties do not appreciate as quickly are paying a higher effective tax rate; and

Whereas, For example, according to a 2013 report by the Citizen's Budget Commission, the average benefit an owner of a one-to-three family home in Greenwich Village receives from the assessment cap was between \$32,000 and \$39,000 per year, where the median household income for residents is \$105,000 and for homeowners is \$200,000; and

Whereas, By comparison, in Queens Village where the median income for all residents is \$74,000 and for homeowners is \$80,000, the average benefit from the assessment cap was just \$394 per year; and

Whereas, Allowing assessment caps on class one property to reset upon transfer would ensure that the

assessed values of the properties more accurately reflect their market values while still preserving the original purpose of the cap; and

Whereas, Allowing the assessment caps to reset upon transfer would thereby level the playing field and ensure that all homeowners pay their fair share of property taxes; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the New York State Legislature to introduce and pass, and the Governor to sign, legislation to allow the limitation on increases of assessed value of individual parcels of class one properties to reset upon transfer.

Session 12

RA

LS #727

4/20/2022

Session 11

WK/RKC

LS #4415

Res. #13-2018