

# STATE OF NEW YORK

8083

## IN SENATE

June 7, 2010

Introduced by Sen. KRUEGER -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government

AN ACT to amend the real property tax law, in relation to the determination of adjusted base proportions in special assessing units which are cities for the fiscal year 2011

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Subdivision 1 of section 1803-a of the real property tax  
2 law is amended by adding a new paragraph (v) to read as follows:

3 (v) Notwithstanding the provisions of paragraph (c) of this subdivi-  
4 sion to the contrary, in a special assessing unit which is a city and  
5 for current base proportions to be determined in such special assessing  
6 unit's fiscal year two thousand eleven, the current base proportion of  
7 any class shall not exceed the adjusted base proportion or adjusted  
8 proportion, whichever is appropriate, of the immediately preceding year  
9 by more than two and a half percent. Where the computation performed  
10 pursuant to paragraph (b) of this subdivision would otherwise produce  
11 such result, the current base proportion of such class or classes shall  
12 be limited to a two and a half percent increase and the legislative body  
13 of such special assessing unit shall alter the current base proportion  
14 of any or all remaining classes so that the sum of the current base  
15 proportions equals one.

16 § 2. In the event the special assessing unit which is a city has sent  
17 out real property tax bills for its fiscal year 2011 before this act  
18 shall have become a law, the city shall take such actions as are neces-  
19 sary, consistent with applicable state and local law, to effect the  
20 provisions of section one of this act, including, but not limited to,  
21 revising the current base proportions and adjusted base proportions,  
22 resetting the real property tax rates and sending amended real property  
23 tax bills. Provided, however, that nothing herein shall be deemed to  
24 affect the obligation of any taxpayer with respect to the payment of any  
25 installment of real property tax for such fiscal year which was due and  
26 payable prior to the date such amended real property tax bills are sent;  
27 for this purpose, such obligations shall be determined in accordance

EXPLANATION--Matter in italics (underscored) is new; matter in brackets  
[-] is old law to be omitted.

LBD17650-01-0

S. 8083

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1 with the applicable provisions of law that were in effect immediately  
2 prior to the effective date of this act, and such city shall be author-  
3 ized to determine the date on which amended bills are to be sent and the  
4 installments of real property tax which are to be reflected therein.

5 § 3. This act shall take effect immediately.

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**NEW YORK STATE SENATE  
INTRODUCER'S MEMORANDUM IN SUPPORT  
submitted in accordance with Senate Rule VI. Sec 1**

BILL NUMBER: S8083

SPONSOR: KRUEGER

TITLE OF BILL:

An act to amend the real property tax law, in relation to the determination of adjusted base proportions in special assessing units which are cities for the fiscal year 2011

JUSTIFICATION:

State law requires New York City to adopt class shares based on rates calculated by the State Board of Real Property Services (SBRPS) in order to distribute the tax levy among the four classes of real property. This year the State Board's class equalization rates would cause the tax burden on property tax class one, comprised of one-, two-, and three-family homes, to increase dramatically.

This bill is designed to provide relief for the residential property tax class one. The "uncapped" current base proportions of class one would grow by 18.3 percent from fiscal year 2010, under the State Board's calculations. Currently, State law provides that the current base proportion of anyone class may not exceed the adjusted base proportion for that class from the prior year by more than five percent. This legislation would adjust that rule, for one year only, to cap the maximum class growth at 2.5 percent for New York City. The effect of this change would be to reduce the amount by which the current base proportions for class one is allowed to grow, resulting in an estimated tax rate increase of 2.0 percent for class one. This would result in citywide savings of \$88 for a typical owner of a class one single family home.

Failure to enact this legislation would leave the City Council no option but to adopt the SBRPS formula for establishing class shares. In that case, the estimated tax rate increases for class one would be 4.5 percent. This increase would cause significant rises in the tax bills for residential homeowners. The tax rate increases for class one, resulting from SBRPS procedures, is avoidable only through passage of this legislation.

Accordingly, the New York City council urges timely enactment of this legislation by the State Legislature.

FISCAL IMPLICATIONS:

None.

EFFECTIVE DATE:

Immediately.

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## STATE OF NEW YORK

11376

## IN ASSEMBLY

June 7, 2010

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Farrell) --  
read once and referred to the Committee on Real Property Taxation

AN ACT to amend the real property tax law, in relation to the determination of adjusted base proportions in special assessing units which are cities for the fiscal year 2011

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

- 1 Section 1. Subdivision 1 of section 1803-a of the real property tax  
2 law is amended by adding a new paragraph (v) to read as follows:  
3 (v) Notwithstanding the provisions of paragraph (c) of this subdivi-  
4 sion to the contrary, in a special assessing unit which is a city and  
5 for current base proportions to be determined in such special assessing  
6 unit's fiscal year two thousand eleven, the current base proportion of  
7 any class shall not exceed the adjusted base proportion or adjusted  
8 proportion, whichever is appropriate, of the immediately preceding year  
9 by more than two and a half percent. Where the computation performed  
10 pursuant to paragraph (b) of this subdivision would otherwise produce  
11 such result, the current base proportion of such class or classes shall  
12 be limited to a two and one-half percent increase and the legislative  
13 body of such special assessing unit shall alter the current base propor-  
14 tion of any or all remaining classes so that the sum of the current base  
15 proportions equals one.  
16 § 2. In the event the special assessing unit which is a city has sent  
17 out real property tax bills for its fiscal year 2011 before this act  
18 shall have become a law, the city shall take such actions as are neces-  
19 sary, consistent with applicable state and local law, to effect the  
20 provisions of section one of this act, including, but not limited to,  
21 revising the current base proportions and adjusted base proportions,  
22 resetting the real property tax rates and sending amended real property  
23 tax bills. Provided, however, that nothing herein shall be deemed to  
24 affect the obligation of any taxpayer with respect to the payment of any  
25 installment of real property tax for such fiscal year which was due and  
26 payable prior to the date such amended real property tax bills are sent;  
27 for this purpose, such obligations shall be determined in accordance

EXPLANATION--Matter in italics (underscored) is new; matter in brackets  
[-] is old law to be omitted.

LBD17652-01-0

A. 11376

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1 with the applicable provisions of law that were in effect immediately  
2 prior to the effective date of this act, and such city shall be author-  
3 ized to determine the date on which amended bills are to be sent and the  
4 installments of real property tax which are to be reflected therein.  
5 § 3. This act shall take effect immediately.

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**NEW YORK STATE ASSEMBLY  
MEMORANDUM IN SUPPORT OF LEGISLATION  
submitted in accordance with Assembly Rule III, Sec 1(f)**

BILL NUMBER: A11376

SPONSOR: Rules (Farrell)

TITLE OF BILL: An act to amend the real property tax law, in relation to the determination of adjusted base proportions in special assessing units which are cities for the fiscal year 2011

SUMMARY OF SPECIFIC PROVISIONS: This bill would amend section 1803-a of the Real Property Tax Law to cap the maximum class growth rate at 2.5 percent for fiscal year 2011.

JUSTIFICATION: State law requires New York City to adopt class shares based on rates calculated by the State Board of Real Property Services (SBRPS) in order to distribute the tax levy among the four classes of real property. This year the State Board's class equalization rates would cause the tax burden on property tax class one, comprised of one-, two-, and three-family homes, to increase dramatically.

This bill is designed to provide relief for the residential property tax class one. The "uncapped" current base proportions of class one would grow by 18.3 percent from fiscal year 2010, under the State Board's calculations. Currently, State law provides that the current base proportion of any one class may not exceed the adjusted base proportion for that class from the prior year by more than five percent. This legislation would adjust that rule, for one year only, to cap the maximum class growth at 2.5 percent for New York City. The effect of this change would be to reduce the amount by which the current base proportions for class one is allowed to grow, resulting in an estimated tax rate increase of 2.5 percent for class one. This would result in citywide savings of \$88 for a typical owner of a class one single family home.

PRIOR LEGISLATIVE HISTORY: New Bill

FISCAL IMPLICATIONS: Failure to enact this legislation would leave the City Council no option but to adopt the SERFS formula for establishing class shares. In that case, the estimated tax rate increases for class one would be 4.5 percent. This increase would cause significant rises in the tax bills for residential homeowners. The tax rate increases for class one, resulting from SBRPS procedures, is avoidable only through passage of this legislation.

EFFECTIVE DATE: Immediately.

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