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THE COUNCIL

REPORT OF THE FINANCE DIVISION

**PRESTON NIBLACK, DIRECTOR
JEFF RODUS, FIRST DEPUTY DIRECTOR**

COMMITTEE ON FINANCE

**HON. DOMENIC M. RECCHIA, JR., CHAIR
December 10, 2012**

PRECONS. INT. :

By Council Members Oddo, Recchia, The Speaker
(Council Member Quinn) and Ignizio (in
conjunction with the Mayor)

TITLE:

A Local Law in relation to extension of the due date
for payment of the installment of real property tax
that is ordinarily due and payable on January 1,
2013 for real property determined to be damaged
and unsafe to enter or occupy as a result of the
severe storm that occurred on October twenty-ninth
and thirtieth, two thousand twelve.

ADMINISTRATIVE CODE:

Adds unconsolidated provisions.

Today, the Finance Committee will consider a Preconsidered Intro, a Local Law in relation to extension of the due date for payment of the installment of real property tax that is ordinarily due and payable on January 1, 2013 for real property determined to be severely damaged and unsafe to enter or occupy as a result of the severe storm that occurred on October twenty-ninth and thirtieth, two thousand twelve.

I. Background

On the evening of Monday, October 29th, Hurricane Sandy brought a catastrophic and unprecedented storm surge of epic proportions to New York City, causing massive flooding and extensive property damage, including flooding, collapsed roofs, and other extensive structural property damage, which in hundreds of cases, resulted in complete property loss.¹ Although Hurricane Sandy effectively left the city on October 30th, the effects of the hurricane still remain.

In inspecting and assessing the structural damage to buildings affected by Hurricane Sandy, the New York City Department of Buildings (“DOB”) has tagged such buildings with colored placards to indicate the severity of the structural damage. Red placards indicate buildings that DOB has determined to be seriously damaged and unsafe to enter or occupy; buildings completely demolished by the storm also received red placards. Yellow placards indicate less severe damage than buildings with red placards, but the DOB has still limited the use of the building and requires the owner to make repairs.²

Section 11-224.1 of the New York City Administrative Code allows property owners to pay their property taxes without incurring interest if payment is made within a specified time of the property tax due date. Accordingly, for real property with an assessed valuation of no greater

¹See [Hurricane Sandy Slams Small Business: 'Losing My Business Means Losing My House'](http://www.huffingtonpost.com/2012/11/02/ice-cream-puddle-rice-ca_n_2060539.html), available at http://www.huffingtonpost.com/2012/11/02/ice-cream-puddle-rice-ca_n_2060539.html

² See http://www.nyc.gov/html/dob/downloads/pdf/Storm_Cleanup_FAQs.pdf

than \$250,000, real property taxes that are due on January 1, 2013 may be paid without interest if paid in full no later than January 15, 2013. For real property with an assessed valuation greater than \$250,000, no interest will accrue if paid before January 3, 2013.

In order to assist owners of residential buildings that the DOB has determined to have the most severe damage as a result of the effects of Hurricane Sandy (as indicated by red placards), the Council, along with the Administration has allowed for a one-time extension for the payment of real property taxes.

II. Preconsidered Int.

The Preconsidered Intro adds unconsolidated provisions to the Administrative Code to allow the installment of real property taxes that would otherwise be due on January 1, 2013 to be paid, without interest or penalty, by April 1, 2013. If such installment is not paid in full by April 1, 2013, interest will be imposed from April 1, 2013 to the date of payment on any unpaid amount.

Specifically, the grace period would be applicable to all Class 1 and Class 2 tax lots (regardless of assessment amount) that had a property that:

- In the month of November 2012, received a red sticker from the Department of Buildings due to damage as a result of the effects of Hurricane Sandy; or
- Up until December 28, 2012, has received a red sticker from the Department of Buildings due to damage as a result of the effects of Hurricane Sandy, after having already received a yellow sticker from the agency in the month of November.

Section 2 of this bill provides that the bill will take effect immediately.

III. Impact

According to the Administration, as of November 27, 2012, 550 property tax lots that encompass 3,028 properties are expected to be eligible for the extended grace period³. While about 79 percent of the eligible tax lots are located in Staten Island and Queens, there are eligible tax lots in all five boroughs. The January 1, 2013 tax bill installment for these tax lots represent about \$1,553,000. These numbers may increase as more yellow tagged properties are reviewed and converted to red tags, however any change is expected to be minimal.

³ The reason there are more properties than tax lots is because some contain multiple properties, such as Breezy Point, Queens, which is a cooperative where all the properties are located on one tax billing lot.

Preconsidered Int. No.

By Council Members Oddo, Recchia, The Speaker (Council Member Quinn) and Ignizio (in conjunction with the Mayor)

A LOCAL LAW

In relation to extension of the due date for payment of the installment of real property tax that is ordinarily due and payable on January 1, 2013 for real property determined to be damaged and unsafe to enter or occupy as a result of the severe storm that occurred on October twenty-ninth and thirtieth, two thousand twelve.

Be it enacted by the Council as follows:

Section 1. Notwithstanding the provisions of subdivisions a and b of section 11-224.1 of the administrative code of the city of New York or of any other law, any installment of real property tax that is ordinarily due and payable on January first, two thousand thirteen pursuant to paragraph b of subdivision 2 or paragraph b of subdivision 3 of section 1519-a of the New York city charter, with respect to eligible real property as defined in section two of this local law, shall be due and payable on April first, two thousand thirteen. With respect to any such eligible real property, if the installment of real property tax that is due and payable on April first, two thousand thirteen under this local law is not paid in full on or before April first, two thousand thirteen, the commissioner of finance shall charge, receive and collect interest upon the amount of such installment not paid on or before such date, to be calculated from April first, two thousand thirteen to the date of payment.

§2. For purposes of this local law, “eligible real property” shall mean any tax lot that contained, on January fifth, two thousand twelve, class one or class two real property as such classes of real property are defined in subdivision one of section eighteen hundred two of the real property tax law, on which any building has been designated by the department of buildings in accordance with section three of this local law.

§3. For purposes of this local law, a building has been designated by the department of buildings if:

(a) during the period beginning November first, two thousand twelve and ending November thirtieth, two thousand twelve, after inspection by the department, such building has been determined to be seriously damaged and unsafe to enter or occupy or completely demolished as a result of damage caused by the effects of the severe storm that occurred on October twenty-ninth and thirtieth, two thousand twelve, and such determination has been indicated by a notation on such department's records and/or by the posting of a red placard warning on the building; or

(b) during the period beginning November first, two thousand twelve and ending November thirtieth, two thousand twelve, after inspection by the department, such building has been determined to require repairs or to have a restricted area and such determination has been indicated by a notation on such department's records and/or by the posting of a yellow sticker on the building, and during the period beginning December first, two thousand twelve and ending December twenty-eighth, two thousand twelve, after inspection by the department, has been determined to be seriously damaged and unsafe to enter or occupy or completely demolished as a result of damage caused by the effects of the severe storm that occurred on October twenty-ninth and thirtieth, two thousand twelve, and such determination has been indicated by a notation on such department's records and/or by the posting of a red placard warning on the building.

§4. This local law shall take effect immediately.