

NYC COUNCIL

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SPEAKER'S OFFICE



THE CITY OF NEW YORK
OFFICE OF THE MAYOR
NEW YORK, N.Y. 10007

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December 27, 2013

Hon. Michael McSweeney
City Clerk of the Council
141 Worth Street
New York, NY 10013

Dear Mr. McSweeney:

Pursuant to Section 37 of the New York City Charter, I hereby disapprove Introductory Number 172-A, which would expand exemptions for non-profits from fees for Fire Department (FDNY) permits, inspections and performance tests.

In 2009, the City and the country faced very tough economic times. The FDNY was instituting nighttime closure of fire companies, considering full-time closures of several more, and proposing increases in ambulance fees. Needing additional ways to cut its expenditures and raise revenue, the FDNY found that it could no longer bear the cost of fee waivers granted to non-profit institutions under the City's Administrative Code. In 2009, the cost of those inspections to the FDNY was \$3 million annually. As a result, Local Law 41 of 2009 was enacted, which narrowed the categories of non-profits that were exempted from fees. Local Law 41 authorized the exemption from fees only for houses of worship, dwelling units for clergy attached to those houses of worship, and schools providing kindergarten through twelfth grade education. Local Law 41 had the effect of treating non-profits other than houses of worship and kindergarten through twelfth grade schools similarly to other property owners. Introductory Number 172-A would effectively repeal Local Law 41 and in so doing, expand the fee exemption to all corporations organized under section 501 (c)(3) of the Internal Revenue Code.

FDNY inspectors conduct mandated Fire Code inspections and issue permits that generate fees to cover the costs of these services. FDNY inspections significantly enhance fire safety in this City. Given the City's financial condition over the last several years, enabling the FDNY to achieve savings by recovering the costs of its services to the non-profits that were not covered by the exemption has been extremely important.

Following the enactment of Local Law 41 in 2009, the FDNY held meetings with many of the non-profits that became subject to fees for the Fire Department inspections and permits

and their compliance has been robust. The revenue generated as a result of Local Law 41 is \$10.8 million thru Fiscal Year 2013. This revenue has helped avert the need to make budget cuts to FDNY operations, such as closing fire companies at night or full-time.

Without the ability to impose the fees authorized by Local Law 41, the FDNY will again be performing inspections of these properties at a cost of approximately \$3 million annually. FDNY fees average less than \$400 per inspection and many of these organizations already receive favorable tax treatment because of their status as non-profits.

Our Administration recognizes the critical role the affected non-profits and universities play in the life of the City. Nonetheless, the FDNY cannot bear the cost of the waiver these institutions previously enjoyed. This bill would reverse a policy change enacted with the support of this City Council that has helped the FDNY meet significant budget targets each year and maintain the number of fire companies that the City considers necessary. In light of financial challenges the City continues to face, repealing Local Law 41 of 2009 and reinstating the fee waiver is untenable.

For the foregoing reasons, I hereby disapprove Introductory Number 172-A.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael R. Bloomberg", written in a cursive style.

Michael R. Bloomberg
Mayor

Cc: The Honorable Christine C. Quinn