

**LOCAL LAWS  
OF  
THE CITY OF NEW YORK  
FOR THE YEAR 1993**

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**No. 27**

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Introduced by the Speaker (Council Member Vallone), Council Members Berman, Castaneira-Colon, Cerullo III, Eisland, Eldridge, Michels, O'Donovan, Povman, Spigner, Williams, DeMarco, DiBrienza, Duane, Fisher, Freed, Koslowitz, Pagan, Sabini, Ward, Watkins, Wooten, Fusco, Marshall, Linares, Powell IV, Millard and Eristoff (Jointly with the Mayor); also Council Members Alter, Harrison, Horwitz, Leffler, McCabe, McCaffrey, White, Cruz, Dear, Fields, Pinkett, Robles and Warden..

**A LOCAL LAW**

**In relation to the creation of a commission to study and report on real property tax reform..**

*Be it enacted by the Council as follows:*

**Section 1. Declaration of Legislative Intent.** The four class real property tax system created by state law for the City of New York, which separates residential properties into two distinct classes, has established different tax treatment for residences. The most apparent result of this system, exacerbated by changes in the residential property market in the last decade, has been that the individuals owning one, two or three family homes and those owning cooperative or condominium units have a different property tax burden. The experience of the past decade, including changes affecting the utility and commercial classes, has demonstrated that this system is inequitable and requires reform. Additionally, disparate rates of effective taxation exist within each of the classes of property.

Given these facts, steps are necessary to ensure that a more equitable real property tax system be enacted for the City of New York. The complexity of this issue and the significance it holds for the citizens of this City demand that a proposal for reform be developed pursuant to a thorough analysis which shall be conducted in a fashion that ensures adequate opportunity for public input. Establishing a commission, with joint appointments by the Council and the Mayor, to study and propose reforms, after an opportunity for public input through a series of hearings to be held throughout the City, provides the greatest opportunity for developing a local consensus on reform.

**§2. Commission on real property tax reform.** *a. There is hereby established a real property tax reform study commission whose duty it shall be to evaluate and propose reform regarding the classified real property tax system for the City of New York.*

*b. The commission shall consist of seven members, who shall be appointed jointly by the mayor and the speaker of the council, and shall include the commissioner of finance and the director of the council finance division. One of the members who is not serving ex-officio shall be jointly designated by the mayor and the speaker as chairperson of the commission. The members of the commission shall be appointed within thirty*

days of the effective date of this section and shall serve without compensation. Vacancies in the membership of the commission shall be filled in the manner provided for original appointments.

c. The commission shall consider and propose reforms, where it deems necessary, in the city's classified real property tax system. Issues to be addressed and regarding which a solution shall be proposed shall include, but not be limited to:

(1) accomplishing the equitable treatment of all residential properties, bearing in mind the characteristics of owner-occupied residential and rental dwellings, and including the need for credits or exemptions for low-income or elderly persons; and

(2) assuring the properties within each class are assessed at the same percent of true market value; and

(3) determining the appropriate treatment of commercial and utility properties; and

(4) facilitating the coordination and enhancement of residential, commercial, industrial and utility property tax incentive programs, with a particular emphasis on the J-51 and 421- a residential tax incentive programs.

d. The commission shall employ an executive secretary and shall utilize department of finance and other appropriate mayoral staff, and appropriate council staff, to assist with the preparation of evaluations, reports and proposed legislation that it deems necessary to effectuate its purposes.

e. The commission shall conduct public hearings throughout the city to receive comments and recommendations regarding proposals to reform the City's property tax system; provided, that at least one such public hearing shall be convened in each borough.

f. The commission shall issue its final report to the mayor and the council no later than December 31, 1993, in order that legislation establishing a reformed property tax system may be enacted into law and provide the basis for taxation in the fiscal year beginning July 1, 1994. Such report shall include the commission's recommendations for the reform of the property tax system, proposed state and city legislation necessary to accomplish recommended reforms and a timetable of no less than ten years for the phased implementation of such reforms. The report may also include proposals to ensure that any recommended reforms are revenue neutral as they impact on the city's budget.

§3. This local law shall take effect immediately.

THE CITY OF NEW YORK, OFFICE OF THE CITY CLERK, s.s.:

I hereby certify that the foregoing is a true copy of a local law of the City of New York, passed by the Council on April 1, 1993, and approved by the Mayor on April 19, 1993.

CARLOS CUEVAS, City Clerk, Clerk of the Council

CERTIFICATION PURSUANT TO MUNICIPAL HOME RULE LAW §27

Pursuant to the provisions of Municipal Home Rule Law §27, I hereby certify that the enclosed Local Law (Local Law 27 of 1993, Council Int. No. 665) contains the correct text and:

Received the following vote at the meeting of the New York City Council on April 1, 1993: 50 for, 0 against.

Was approved by the Mayor on April 19, 1993.

Was returned to the City Clerk on April 20, 1993.

JEFFREY D. FRIEDLANDER, Acting Corporation Counsel