

LOCAL LAWS
OF
THE CITY OF NEW YORK
FOR THE YEAR 1990

No. 47

Introduced by Council Member Berman—read and referred to the Committee on Finance.
(Passed Under a Message of Necessity from the Mayor.)

A LOCAL LAW

To amend the administrative code of the city of New York, in relation to the use of daily compounding in computing interest on late payments of real property taxes, water and sewer charges, and other charges related to real property, and in relation to the rate of interest applicable to late payments of real property taxes on parcels on which the annual real property tax is not more than two thousand seven hundred fifty dollars.

Be it enacted by the Council as follows:

Section 1. Chapter 1 of title 11 of the administrative code of the city of New York is amended by adding a new section 11-123 to read as follows:

§11-123 Interest compounded daily. In computing the amount of any interest required to be paid under section 11-224 (except subdivision j thereof), 11-264, 11-306, 11-307, 11-312, 11-313, 17-151, 19-152, 24-317, 24-512, 24-605, 26-128, 26-517.1, 27-2144 or 27-4029.1 of the code, such interest shall be compounded daily.

§2. Section 11-224 of subchapter 1 of chapter 2 of title 11 of the administrative code of the city of New York is amended by adding a new subdivision 1 to read as follows:

1. No later than the fifth day following the date of enactment of this subdivision in the year nineteen hundred ninety and no later than May twenty-fifth of each succeeding year, the banking commission shall transmit a written recommendation to the council of proposed interest rates to be charged for nonpayment of taxes on real property in those cases in which the annual tax on a parcel, other than a parcel which consists of vacant or unimproved land, is not more than two thousand seven hundred fifty dollars. In making such recommendations, the banking commission shall consider the prevailing interest rates charged for commercial loans extended to prime borrowers by commercial banks operating in the city. In the case of any such parcel with respect to which the real property taxes are held in escrow and paid to the commissioner of finance by a "mortgage escrow agent," as that term is defined in section fifteen hundred nineteen of the city charter, the proposed rate shall be at least six percent per annum greater than such prevailing prime rate, and in the case of all other such parcels, the proposed rate shall be at least equal to such prevailing prime rate. The council may by resolution adopt interest rates to be applicable to the aforementioned parcels and may specify in such resolution the dates on which such interest rates are to take effect. In the event the council does not adopt interest rates as provided in this subdivision, the interest rates otherwise specified in this section shall be applicable.

3. This local law shall take effect immediately, provided that:

(a) section one of this local law shall apply to interest accruing on or after July 1, 1990 on

amounts (including interest) remaining unpaid on or after such date;

(b) section two of this local law shall apply to installments of taxes on real property which become or remain due and payable on or after July 1, 1990; and

(c) for purposes of section two of this local law, the banking commission may transmit a written recommendation of proposed interest rates to the council prior to the effective date of this local law and the council may adopt a resolution fixing interest rates prior to such effective date, such recommendation and such resolution to be effective as provided in the resolution.

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 June 30, 1990, and approved by the Mayor on July 12, 1990.

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 47 of 1990, Council Int. No. 479) contains the correct text and:

Received the following vote at the meeting of the New York City Council on June 30, 1990;
32 for, 2 against and One (1) Not Voting

Was approved by the Mayor on July 12, 1990.

Was returned to the City Clerk on July 13, 1990.

JEFFREY D. FRIEDLANDER, Acting Corporation Counsel