



**REPORT OF THE  
COMMITTEE ON FINANCE**

**FINANCE DIVISION  
PRESTON NIBLACK, DIRECTOR**

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**RESOLUTION AMENDING AND RESTATING THE  
RESOLUTION COMPUTING AND CERTIFYING ADJUSTED  
BASE PROPORTION OF EACH CLASS OF REAL PROPERTY  
FOR FISCAL 2014 TO THE STATE BOARD OF REAL  
PROPERTY TAX SERVICES PURSUANT TO SECTION 1803-a  
OF THE REAL PROPERTY TAX LAW**

**Introduction.** The above-captioned resolution completes the certification procedure required by Section 1803-a, Real Property Tax Law, to establish the class shares used in levying the real property taxes for the adopted Fiscal 2014 budget.

On June 26, 2013, the Council adopted a resolution computing and certifying the current base proportions for Fiscal 2014 (the "CBP Resolution"). After the adoption of the CBP Resolution, Section 1803-a, Real Property Tax Law, was amended to lower the percent of increase in the current base proportion as compared with the previous year's adjusted base proportion from 5.0 percent to 1 percent, which altered the calculations contained in the CBP Resolution. Pursuant to this amendment to state law, the Council adopted a resolution on November 14, 2013, restating the CBP Resolution. On June 26, 2013, the Council also adopted a resolution computing and certifying the adjusted base proportion of each class of real property for Fiscal 2014 (the "ABP Resolution"). The above-captioned resolution amends and restates the ABP Resolution to reflect the changes in the November 14, 2013 CBP Resolution.

The current base proportion for each class of real property takes into account the market value changes in the class occurring between the assessment roll for the base period, 1989, and the latest roll for which the State Board of Real Property Tax Services ("SBRPTS") has established class equalization rates, 2012. The CBP Resolution modified the class shares for the Fiscal 2014 property tax levy accordingly. The remaining step, to be taken in the above-captioned resolution, adjusts these current base proportions to take account of the various physical changes (such as demolitions, new construction, changes in exempt status and transfers among classes) that are reflected in the new final assessment roll. The computations called for in the SBRPTS procedure are designed to separate the effects of these physical changes from equalization changes made by local assessors.

**Analysis.** The calculations shown on the SBRPS Form RP-6702 attached to the above-captioned resolution modify the share for each class to reflect physical changes. For Fiscal 2014, all property tax classes see modest increases due to physical change. The Fiscal 2014 adjusted base proportions for Classes 1 shows a modest declines of almost one percent from the Fiscal 2014 current base proportions,

while Classes 2 and 4 are marginally down by less than two-tenths of a percent from the Fiscal 2014 current base proportions. Class 3 on the other hand saw relatively more of a change due to physical increases putting in its adjusted base percentage more than 3.5 percent over its current base proportions (see exhibit A of the above-captioned resolution).

However, the changes from the adjusted base proportions from Fiscal 2013 to Fiscal 2014, as reported in the table below, show increases for Classes 1 and 4, while Classes 2 and 3 see decreases.

Comparison of Class Shares for Fiscal 2013 and Fiscal 2014			
Class	Fiscal 2013	Fiscal 2014	Percent Change
1	15.4619	15.4894	+0.18
2	36.9663	36.7523	-0.58
3	7.0332	6.8468	-2.65
4	40.5386	40.9115	+0.92
Total	100.0000	100.0000	

The tax rates resulting from the use of class shares shown above for Fiscal 2014 are compared to the Fiscal 2013 tax rates in the following table.

Comparison of Tax Rates for Fiscal 2013 and Fiscal 2014 (Per \$100 Assessed Value)			
Class	Fiscal 2013	Fiscal 2014	\$ Difference
1	18.569	19.191	+0.622
2	13.181	13.145	-0.036
3	12.477	11.902	+0.575
4	10.288	10.323	+0.035