



**REPORT OF THE
COMMITTEE ON FINANCE**

**FINANCE DIVISION
PRESTON NIBLACK, DIRECTOR**

**RESOLUTION AMENDING AND RESTATING THE RESOLUTION
COMPUTING AND CERTIFYING ADJUSTED BASE
PROPORTION OF EACH CLASS OF REAL PROPERTY FOR
FISCAL 2011 TO THE STATE BOARD OF REAL PROPERTY TAX
SERVICES PURSUANT TO SECTION 1803-a, 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 2011 budget¹.

On June 29, 2010, the Council adopted a resolution computing and certifying the current base proportions for Fiscal 2011 (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 2.5 percent, which altered the calculations contained in the CBP Resolution. Pursuant to this amendment to state law, the Council adopted a resolution on November 17, 2010, restating the CBP Resolution. On June 29, 2010, the Council also adopted a resolution computing and certifying the adjusted base proportion of each class of real property for Fiscal 2011 (the "ABP Resolution"). The above-captioned resolution amends and restates the ABP Resolution to reflect the changes in the November 17, 2010 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, 2009. The CBP Resolution modified the class shares for the Fiscal 2011 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.

¹ As hereinafter provided, references to the Fiscal 2011 Budget will be deemed to reference such budget as adopted on June 29, 2010. Such reference shall not include modifications of such budget during the Fiscal 2011 fiscal year.

Analysis. The calculations shown on the SBRPTS Form RP-6702 attached to the above-captioned resolution modify the share for each class to reflect physical changes. For Fiscal 2011, all classes show modest physical increases. These physical adjustments result in the following changes to the Fiscal 2011 current base proportions. The Fiscal 2011 adjusted base proportions for Classes 1, 2 and 4 show a modest decrease of less than one percent from their respective Fiscal 2011 current base proportions. Conversely, the adjusted base proportion for Class 3 shows an increase of 4.91 percent from the current base proportion.

However, the changes in the adjusted base proportions from Fiscal 2010 to Fiscal 2011, as reported in the table below, show increases of almost two percent and almost half a percent for Classes 1 and 3, respectively. Conversely, Classes 2 and 4 both show modest decreases of less than a percent.

Comparison of Class Shares for Fiscal 2010 and Fiscal 2011			
Class	Fiscal 2010	Fiscal 2011	Percent Change
1	14.8231	15.0922	+1.82
2	37.4672	37.4175	-0.13
3	7.5717	7.6075	+0.47
4	40.1380	39.8828	-0.64
Total	100.0000	100.0000	

The tax rates resulting from the use of class shares shown above for Fiscal 2011 are compared to the Fiscal 2010 tax rates in the following table.

Comparison of Tax Rates for Fiscal 2010 and Fiscal 2011 (Per \$100 Assessed Value)			
Class	Fiscal 2010	Fiscal 2011	\$ Difference
1	17.088	17.364	+0.276
2	13.241	13.353	+0.112
3	12.743	12.631	-0.112
4	10.426	10.312	-0.114