

Res. 761



REPORT OF THE  
COMMITTEE ON FINANCE

FINANCE DIVISION  
LATONIA MCKINNEY, DIRECTOR

**RESOLUTION COMPUTING AND CERTIFYING BASE PERCENTAGE, CURRENT PERCENTAGE AND CURRENT BASE PROPORTION OF EACH CLASS OF REAL PROPERTY FOR FISCAL 2016 TO THE STATE BOARD OF REAL PROPERTY SERVICES PURSUANT TO SECTION 1803-a OF THE REAL PROPERTY TAX LAW**

**Introduction.** Section 1803-a of the Real Property Tax Law requires the City Council to certify to the State Board of Real Property Services (the "SBRPS") certain calculations used in the process of updating the class shares from the previous year. These calculations are made every year by the Council to reflect the following changes in each class of real property:

- a. Changes in the market value of taxable real property (as determined by SBRPS sample studies),
- b. Physical changes as a result of new construction or demolitions,
- c. Changes in taxable status, and
- d. Transfers of real property among the four classes of real property as a result of changes in use or for other reasons.

Under SBRPS regulations, the Council must update the class shares by making two separate certifications. The action to be taken in the above-referenced resolution constitutes the first step of establishing the class shares of the four classes of taxable real property in the City to which the tax levy for the Fiscal 2016 budget will be applied. The purpose of this step is to give effect to the latest class equalization rates required by Article 18 of the Real Property Tax Law. Using these rates, new estimates of market values for each class are calculated.

The second step, certifying the "adjusted base proportions", is the subject of a separate resolution that takes account of all the changes that are included in the final assessment roll, after Tax Commission review of taxpayer protests. Attached hereto, as Exhibit A, are definitions of terms that are used in the analysis below.

**Analysis.** The class equalization rates described above produce prospective current base proportions that show a decrease in Class 4 and Class 3 below the Fiscal 2015 adjusted base proportion, or "class shares" (as shown in column R of SBRPS Form RP-6700 attached to the above-captioned resolution), and increases in the class shares of Classes 1 and 2. Pursuant to Section 1803-a(1)(c) of the Real Property Tax Law if the increase in any class exceeds 5 percent, the Council is directed to shift the excess (and only the excess) to any other class or classes so long as the shift does not cause the current base proportion of any other class to increase by more than 5 percent. None of the Classes exceed the cap, therefore, in the above-captioned resolution, there is no excess above 5 percent to distribute.

The chart below shows the following changes of the current base proportions of all four classes from their adjusted base proportions in Fiscal 2015. No Class sees a percent change that exceeds the 5 percent cap.

Class	Percent Change of FY16 Current Base Proportions from FY15 Adjusted Base Proportions
1	+0.35
2	+0.99
3	-5.86
4	-0.12

However, these "current base proportions" must still be adjusted for the physical changes and transfers among classes which are contained in the final assessment roll. These adjustments will be made in a separate resolution constituting the Council's second step. The "adjusted base proportions" thus derived will be the class shares used for allocating the real property tax levy for Fiscal 2016.

## EXHIBIT A

"Class equalization rate" represents the percentage that the total assessed value of each class is of the market value of the class, as shown in SBRPS sample studies.

"Base percentage" represents the percentage of total market value that each class constitutes in the 1989 base tax roll. The 1989 base tax roll is the one that was used in setting the tax levy for Fiscal 1990.

"Current percentage" is similar to the base percentage, but applies to the most recent year for which the SBRPS has established class equalization rates (in this case, the 2014 tax roll).

"Local base proportions" are the class tax shares used to fix the tax rates for Fiscal 1991.

"Current base proportions" are the local base proportions modified to take into account the market value changes revealed by the latest class equalization rates.

**Preconsidered Res. No.**

**RESOLUTION COMPUTING AND CERTIFYING BASE PERCENTAGE, CURRENT PERCENTAGE AND CURRENT BASE PROPORTION OF EACH CLASS OF REAL PROPERTY FOR FISCAL 2016 TO THE STATE BOARD OF REAL PROPERTY SERVICES PURSUANT TO SECTION 1803-a OF THE REAL PROPERTY TAX LAW.**

**By Council Member Ferreras-Copeland**

**Whereas**, this Resolution, dated June 26, 2015, computes and certifies the base percentage, current percentage, and current base proportion of each class of real property for the fiscal year beginning on July 1, 2015 and ending on June 30, 2016 ("Fiscal 2016") to the State Board of Real Property Services pursuant to Section 1803-a of the Real Property Tax Law; and

**Whereas**, on November 24, 2014, the State Board of Real Property Services (the "SBRPS") certified the final state equalization rate, class ratios and class equalization rates for the City's Fiscal 2016 assessment rolls, required by Article 18 of the Real Property Tax Law; and

**Whereas**, Section 1803-a (1) of the Real Property Tax Law, requires the Council to compute and certify, to the SBRPS, for each tax levy, the base percentage, the current percentage and the current base proportion of each class of real property in the City subsequent to the date on which the SBRPS files with the Clerk of the Council a certification setting forth the final state equalization rate, class ratios and class equalization rates for the City's Fiscal 2016 assessment rolls, pursuant to Section 1212 of the Real Property Tax Law; and

**Whereas**, Section 1803-a(1)(c) of the Real Property Tax Law requires that if any increase in the current base proportion for any class of real property, as compared with the previous year's adjusted base proportion for such class of property shall exceed five percent, such excess over five percent must be shifted to any other class of property; and

**NOW, THEREFORE**, be it resolved by The Council of The City of New York as follows:

**Section 1. Computation and Certification of Base Percentages, Current Base Percentages and Current Base Proportions for Fiscal 2016.** (a) The Council hereby computes and certifies the base percentage, the current percentage and the current base percentage for the City's Fiscal 2016 assessment rolls as shown on SBRPS Form RP-6700, attached hereto as Exhibit A and incorporated herein by reference (the "CBP Certificate").

(b) The Clerk of the Council is hereby authorized and directed to execute the CBP Certificate and to file it with the SBRPS after the date on which the SBRPS filed with the Clerk of the Council a certification setting forth the final state equalization rate, class ratios and class equalization rates for the City's Fiscal 2016 assessment rolls, pursuant to Section 1212 of the Real Property Tax Law.

**Section 2. Effective Date.** This resolution shall take effect as of the date hereof.

STATE BOARD OF REAL PROPERTY TAX SERVICES  
 (Formerly State Board of Equalization and Assessment)  
 16 Sheridan Avenue, Albany, NY 12210-2714

Certificate of Base Percentages, Current Percentages and  
 Current Base Proportions Pursuant to Article 18, RPTL,  
 for the Levy of Taxes on the 2015 Assessment Roll

Special Assessing Unit \_\_\_\_\_  
 Check One to Identify Portion: County \_\_\_; City\_x; Town \_\_\_; Village \_\_\_; Town Outside Village Area \_\_\_; School District \_\_\_; Special District \_\_\_  
 Name of Portion \_\_\_\_\_

Determination of Estimated Market Values

Class	(A) 1989 Taxable Assessed Value	(B) 1989 Class Equalization Rate	(C) Estimated Market Value A/(B/100)
1	\$7,995,107,684	9.10	\$87,858,326,198
2	19,169,173,444	45.84	41,817,568,595
3	7,366,591,774	37.98	19,395,976,235
4	35,523,026,877	39.69	89,501,201,504
Total	\$70,053,899,779		\$238,573,072,532

Determination of Base Percentages

Class	(D) Change in Taxable Assessed Value Between 1989 and 1990 Rolls for Parcels Transferred Out of Class	(E) Change in Taxable Assessed Value Between 1989 and 1990 Rolls for Parcels Transferred Into Class	(F) 1990 Change in Level of Assessment Factor for Special Assessing Unit Class	(G) Adjustment Factor for Class Change ((E/F)-D)/A)+1	(H) Adjusted Market Value (C*G)	(I) Base Percentage (H/sum of H)*100
1	\$19,354,077	\$228,360,245	1.0149	1.0257224246	\$90,118,255,366	37.5640
2	237,975,755	329,398,302	1.0932	1.0033042596	41,955,744,698	17.4884
3	1,368,298,335	0	0.9738	0.8142562562	15,793,294,995	6.5831
4	419,700,459	1,581,850,826	1.1086	1.0283531598	92,038,843,371	38.3645
Total					\$239,906,138,430	

EXHIBIT A

SECTION III

Determination of Current Percentages

	(J)	(K)	(L)	(M)
Class	2014 Taxable Assessed Value	2014 Class Equalization Rate	Estimated Market Value J/(K/100)	Current Percentages (L/Sum of L)*100
1	\$17,667,478,249	4.51	\$391,740,094,213	46.7367
2	63,489,418,349	34.00	186,733,583,379	22.2783
3	12,355,130,146	45.00	27,455,844,769	3.2756
4	90,207,800,840	38.84	232,254,894,027	27.7093
Total	\$183,719,827,584		\$838,184,416,388	

SECTION IV

Determination of Current Base Proportions

	(N)	(O)	(P)	(Q)	(R)	(S)	(T)
Class	Local Base Proportion	Updated Local Base Proportion N*(M/I)	Prospective Current Base Proportion Column (O) Prorated to 100.00	Adjusted Base Proportion Used for Prior Tax Levy	Percent Difference Between Prior Year Adjusted Base Proportion and Prospective Current Base Proportion (P/Q-1)*100	Maximum Current Base Proportion (Q * 1.05)	Current Base Proportions for 2015 Roll
1	10.9181	13.5842	15.1251	15.0728	0.34698	15.8264	15.1251
2	25.7608	32.8165	36.5390	36.1823	0.98579	37.9914	36.5390
3	10.3385	5.1442	5.7277	6.0842	-5.85911	6.3884	5.7277
4	52.9826	38.2674	42.6082	42.6607	-0.12306	44.7937	42.6082
Total	100.0000	89.8123	100.0000	100.0000			100.0000

I, the Clerk of the Legislative Body of the special assessing unit identified above, hereby certify that the legislative body determined on June 26, 2015 base percentages, current percentages and current base proportions as set forth herein for the assessment roll and portion identified above.

Signature

Title

Date