RESOLUTION COMPUTING AND CERTIFYING ADJUSTED BASE PROPORTION OF EACH CLASS OF REAL PROPERTY FOR FISCAL 2019 TO THE STATE BOARD OF REAL PROPERTY 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 of the Real Property Tax Law to establish the class shares used in levying the real property taxes for the adopted Fiscal 2019 budget.

In a separate resolution, the Council computed and certified the current base proportions for Fiscal 2019 (the "CBP Resolution"). The above-captioned resolution uses those current base proportions, together with data supplied by the New York City Department of Finance from the final assessment roll released on May 25, 2018, to determine the adjusted base proportions (or class shares) in accordance with the procedure established by the State Board of Real Property Services (the "SBRPS").

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 SBRPS has established class equalization rates, 2017. The CBP Resolution modified the class shares for the Fiscal 2019 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 SBRPS 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 2019, all property tax classes show modest physical changes. The Fiscal 2019 adjusted base proportions for Classes 1 and 4 show modest declines of an average of 1.1 percent from the Fiscal 2019 current base proportions. Classes 2 and 3 on the other hand see increases due to physical increases pushing their adjusted base percentage up about 0.6 percent and 4.8 percent, respectively.

However, the changes from the adjusted base proportions from Fiscal 2018 to Fiscal 2019, as reported in the table below, show an increase for Classes 1 and 2, while Classes 3 and 4 see decreases.

Comparison of Class Shares for Fiscal 2018 and Fiscal 2019			
Class	Fiscal 2018	Fiscal 2019	Percent Change
1	14.8429	15.3423	+ 3.36
2	37.4190	38.0416	+1.66
3	6.2975	5.7696	-8.38
4	41.4406	40.8465	-1.43
Total	100.0000	100.0000	

The tax rates resulting from the use of class shares, or adjusted base proportions, shown above for Fiscal 2019 are compared to the Fiscal 2018 tax rates in the following table.

Comparison of Tax Rates for Fiscal 2018 and Fiscal 2019 (Per $100 Assessed Value)			
Class	Fiscal 2018	Fiscal 2019	Difference
1	$20.385	$21.861	$1.48
2	12.719	12.690	-0.03
3	11.891	11.207	-0.68
4	10.514	10.402	-0.11