



**REPORT OF THE
COMMITTEE ON FINANCE**

FINANCE DIVISION

**TANISHA EDWARDS, CHIEF FINANCIAL OFFICER AND DEPUTY CHIEF OF STAFF TO THE
SPEAKER**

**RESOLUTION TO PROVIDE THE AMOUNTS NECESSARY FOR THE
SUPPORT OF THE GOVERNMENT OF THE CITY OF NEW YORK AND THE
COUNTIES THEREIN AND FOR THE PAYMENT OF INDEBTEDNESS
THEREOF, FOR THE FISCAL YEAR BEGINNING ON JULY 1, 2022 AND
ENDING ON JUNE 30, 2023 BY THE LEVY OF TAXES ON THE REAL
PROPERTY IN THE CITY OF NEW YORK, IN ACCORDANCE WITH THE
PROVISIONS OF THE CONSTITUTION OF THE STATE OF NEW YORK, THE
REAL PROPERTY TAX LAW AND THE NEW YORK CITY CHARTER**

Introduction. This Resolution, dated June 13, 2022, provides the amounts necessary for the support of the government of the City of New York and the counties therein and for the payment of indebtedness thereof, for the fiscal year beginning on July 1, 2022 and ending on June 30, 2023 by the levy of taxes on the real property in the city of New York, in accordance with the provisions of the Constitution of the State of New York, the Real Property Tax law and the New York City Charter.

On April 26, 2022, the Mayor submitted the executive budget for Fiscal 2023 to the Council pursuant to Section 249 of the Charter. On the date hereof, the Council adopted the budget for Fiscal 2023 pursuant to Section 254 of the Charter (the "Fiscal 2023 Budget"). Pursuant to Section 1516 of the Charter, the Council must fix the annual real property tax rates immediately upon such approval of the Fiscal 2023 Budget. In the resolution, captioned above, fixing the real property tax rates for Fiscal 2023 (the "Tax Fixing Resolution"), the Council fixes the annual real property tax rates, as described in greater detail below, and authorizes the levy of real property taxes for Fiscal 2023.

Determining the Amount of the Real Property Tax Levy. In the Tax Fixing Resolution, the Council determines the amount of the real property tax levy for Fiscal 2023, pursuant to the provisions of Section 1516 of the Charter, in the following manner. First, the Council acknowledges the amount of the Fiscal 2023 Budget to be \$101,123,813,371 as set forth in the communication from the Mayor pursuant to Section 1515(a) of the Charter (the "Fiscal 2023 Budget Amount"). The Council then acknowledges the estimate of the probable amount of all non-property tax revenues to be \$69,846,402,371 as set forth in the communication from the Mayor pursuant to Section 1515(a) of the Charter (the "Fiscal 2022 Revenue Estimate"). (Attached hereto as Exhibit A is an itemization of the Fiscal 2023 Revenue Estimate, detailing all sources of revenues exclusive of real property taxes.) Finally, pursuant to Section 1516 of the Charter, the Council determines the net amount required to be raised by tax on real property to be \$31,277,411,000 by subtracting the amount of the Fiscal 2023 Revenue Estimate from the Fiscal 2023 Budget Amount.

In order to achieve a real property tax yield of \$31,277,411,000 however, due to provision for uncollectible taxes and refunds and collection of levies from prior years equal in the aggregate to \$2,576,239,640 the Council determines that a real property tax levy of \$33,853,650,640 is required. Such amount, levied at rates on the classes of real property as further described below will produce a balanced budget within generally accepted accounting principles for municipalities.

The Council also provides for the application of the real property tax levy (net of provision for uncollectible taxes and

refunds and collection of levies from prior years) to (1) debt service not subject to the constitutional operating limit, (2) debt service subject to the constitutional operating limit and (3) the Fiscal 2023 Budget in excess of the amount of the Fiscal 2023 Revenue Estimate.

Authorizing and Fixing the Real Property Tax Rates. After having determined the amount of the real property tax levy, the Council authorizes and fixes the real property tax rates. On May 25, 2022, the Commissioner of the Department of Finance (the "Commissioner") delivered the certified assessment rolls for all real property assessable for taxation in the City in each borough thereof for Fiscal 2023 to the Council, pursuant to Section 1514 of the Charter (the "Fiscal 2023 Assessment Rolls"). On June 13, 2022 the Council adopted a resolution in which the Council computed and certified the current base proportion, the current percentage and the base percentage of each class of real property in the City for Fiscal 2023 (the "Current Base Proportion Resolution"), pursuant to Section 1803-a(1) of the Real Property Tax Law. On June 13, 2022, pursuant to Section 1803-a (5) of the Real Property Tax Law, the Council adopted a resolution in which the Council adjusted the current base proportions of each class of real property in the City for Fiscal 2023, to reflect the additions to, and full or partial removal from, the Fiscal 2023 Assessment Rolls (the "Adjusted Base Proportion Resolution").

The following sections describe the determinations the Council must make before it fixes the real property tax rates and the process by which the Council fixes the real property tax rates:

Assessed Valuation Calculations. In the Tax Fixing Resolution, the Council sets out the assessed valuation calculations of taxable real property in the City by class within each borough of the City. Next, the Council sets out the assessed valuation by class of real property for the purpose of taxation in each borough of the City.

Compliance with Constitutional Operating Limit Provisions. In the Tax Fixing Resolution, the Council also provides evidence of compliance with constitutional operating limit provisions. The Council determines that the amount to be levied by tax on real property for the Fiscal 2023 Budget does not exceed the limit imposed by Section 10, Article VIII of the Constitution of the State of New York, as amended, and Article 12-A of the Real Property Tax Law (the "Operating Limit Provisions"). The Operating Limit Provisions require that the City not levy taxes on real property in any fiscal year in excess of an amount equal to a combined total of two and one-half percent (2 ½%) of the average full valuation of taxable real property in the City, determined by taking the assessed valuations of taxable real property on the last completed assessment roll and the four preceding assessment rolls of the City and applying thereto the special equalization ratio which such assessed valuations of each such roll bear to the full valuations as fixed and determined by the State Office of Real Property Tax Services ("ORPTS"), minus (i) the amount to be raised by tax on real property in such year for the payment of the interest on and the redemption of certificates of other evidence of indebtedness described in the Constitution and (ii) the aggregate amount of business improvement district charges exclusive of debt service. (Attached hereto as Exhibit B is an itemization of net reductions of the amounts to be raised by the Fiscal 2023 tax levy as authorized by New York State law for purposes of the Operating Limit determination.)

Adjusted Base Proportions. The Tax Fixing Resolution sets forth the adjusted base proportions for Fiscal 2023, pursuant to the Adjusted Base Proportion Resolution, to be used in determining the Fiscal 2023 tax rates for the four classes of property.

Tax Rates on Adjusted Base Proportions. Finally, in the Tax Fixing Resolution, the Council authorizes and fixes, pursuant to Section 1516 of the Charter, the rates of tax for Fiscal 2023 by class upon each dollar of assessed valuation of real property subject to taxation for all purposes of, and within, the City, as fixed in cents and thousandths of a cent per dollar of assessed valuation, as follows:

| | |
|---|---------|
| All One-, Two- and Three-Family Residential Real Property | 0.20309 |
| All Other Residential Real Property | 0.12267 |
| Utility Real Property | 0.12755 |
| All Other Real Property | 0.10646 |

(Attached hereto as Exhibit C is a history of the tax rates by fiscal year).

Authorization of the Levy of Property Taxes for Fiscal 2023. The Council authorizes and directs the Commissioner, pursuant to Section 1517 of the Charter, to set down in the Fiscal 2023 Assessment Rolls, opposite to the several sums set down as the valuation of real property, the respective sums to be paid as a tax thereon and add and set down the aggregate valuations of real property in the boroughs of the City and send a certificate of such aggregate valuation in each such borough to the State Comptroller. The Tax Fixing Resolution then requires the City Clerk to procure the proper warrants, in the form attached thereto, such warrants to be signed by the Public Advocate and counter-signed by the City Clerk.

The Tax Fixing Resolution would take effect as of the date of adoption of the Fiscal 2023 Budget.

Accordingly, the Committee on Finance recommends adoption of the Tax Fixing Resolution.

Exhibit A

**ESTIMATED FISCAL YEAR 2023 REVENUE
OTHER THAN REAL PROPERTY TAXES
Summarizing by Source of Revenue**

| Source of Revenue | Estimate of Revenue |
|--|--------------------------|
| Taxes (excluding Real Estate Taxes): | |
| General Sales (1) | \$ 8,601,000,000 |
| Personal Income | 13,409,000,000 |
| Pass-through Entity Tax (PTET) | 1,875,000,000 |
| General Corporation..... | 4,537,000,000 |
| Commercial Rent..... | 862,000,000 |
| Utility..... | 379,000,000 |
| Banking Corporation..... | - |
| Mortgage Recording..... | 961,000,000 |
| Unincorporated Business..... | 2,178,000,000 |
| Real Property Transfer..... | 1,395,000,000 |
| Cigarette..... | 18,000,000 |
| Hotel Occupancy..... | 468,000,000 |
| Other: | |
| Penalty and Interest..... | 64,000,000 |
| Off-Track Betting Surtax..... | 760,000 |
| Payments in Lieu of Tax..... | 601,000,000 |
| Section 1127 (Waiver)..... | 186,000,000 |
| Beer and Liquor..... | 25,000,000 |
| Auto Use..... | 30,000,000 |
| Commercial Motor Vehicle..... | 65,071,000 |
| Taxicab License Surcharge..... | 800,000 |
| Liquor License Surcharge..... | - |
| Horse Race Admissions..... | 50,000 |
| Other Refunds..... | (50,000,000) |
| Medical Marijuana Excise Tax..... | 600,000 |
| State Tax Relief Program ("STAR") for Personal Income and Real Property Taxes..... | 144,000,000 |
| | <u>\$ 35,750,281,000</u> |
| Miscellaneous Revenue: | |
| Licenses, Franchises, etc..... | 736,936,000 |
| Interest Income..... | 107,430,000 |
| Charges for Services..... | 1,029,295,158 |
| Water and Sewer Charges..... | 1,801,035,000 |
| Rental Income..... | 250,193,000 |
| Fines and Forfeitures..... | 1,076,075,000 |
| Miscellaneous | 336,484,008 |
| | <u>\$ 5,337,448,166</u> |

Exhibit A

**ESTIMATED FISCAL YEAR 2023 REVENUE
OTHER THAN REAL PROPERTY TAXES
Summarizing by Source of Revenue**

| Source of Revenue | Estimate of Revenue |
|---|--------------------------|
| Grants: | |
| Federal..... | \$ 9,284,586,039 |
| State..... | 16,751,575,512 |
| Provision for Disallowances..... | <u>(15,000,000)</u> |
| | <u>26,021,161,551</u> |
| Unrestricted State and Federal Aid: | |
| N.Y. State Revenue Sharing..... | 0 |
| Other Unrestricted Aid..... | <u>251,600,000</u> |
| | <u>251,600,000</u> |
| Transfer from Capital Funds..... | <u>736,250,786</u> |
| Tax Audit Revenue and Other Initiatives..... | <u>720,903,000</u> |
| Tax Program..... | <u>0</u> |
| Other Categorical Grants..... | <u>1,028,757,868</u> |
| Amount of Estimated Revenue other than | |
| Real Estate Taxes..... | <u>\$ 69,846,402,371</u> |

FOOTNOTES

(1) Fiscal 2023 administrative expenses of the New York State Financial Control Board ("FCB") and the Office of the State Deputy Comptroller ("OSDC"), the "State Oversight Retention Requirements", have been treated only for accounting and financial reporting purposes of the City as if they were City expenditures. Consequently, the above estimates of General Fund receipts for Fiscal 2023 do not reflect anticipated reductions in amounts to be received by the City from the four and a half percent sales tax levied in the City (the "City Sales tax") pursuant to State Oversight Retention Requirements. In fact, the State Oversight Retention Requirements are to be retained by the State from the City Sales Tax and will therefore reduce the funds which are paid to the City from the City Sales Tax. This presentation of State Oversight Retention Requirements (instead of being shown as a reduction in City Sales Tax) has no bearing on the statutory relationship between the City, on the one hand, and the FCB and OSDC, on the other hand.

Exhibit B

**PROPERTY TAX ITEMS IN THE RESERVE CONSIDERED OFFSETS TO LEVY
FOR PURPOSES OF CONSTITUTIONAL OPERATING LIMIT PROVISIONS**

FISCAL 2023 RESERVE ESTIMATES

| Reserve Item | Estimate <i>(in millions)</i> |
|---|---|
| <u>Property Tax Reductions (Tax Expenditures) Authorized by State Law</u> | |
| Coop/Condo Abatement | (\$668.0) |
| STAR Exemption* | (144.0) |
| J-51 | (99.0) |
| SCRIE/DRIE | (199.0) |
| Commercial Revitalization Program & Borough Development | (52.0) |
| Section 626 | (19.0) |
| ICAP Abatement | (394.0) |
| Solar/Green Roof Abatement | (25.0) |
| <u>Property Tax Additions (Tax Programs) Authorized by State Law</u> | |
| Exempt Property Restored | 35.2 |
| TOTAL | <u>(\$1,564.8)</u> |

* Although the STAR exemption is authorized by State law and treated as an abatement and included in the property tax reserve, the State reimburses the City for the exact amount of the abatement. However, this is an Expense item and accounted for as a separate allocation of funds.

Exhibit C

REAL PROPERTY TAX RATES (FY 2000 - FY 2023)

PER \$100 OF ASSESSED VALUE

| Fiscal Year | Tax Class | | | | |
|--------------------|------------------|----------------|----------------|----------------|----------------|
| | <i>Citywide</i> | <i>Class 1</i> | <i>Class 2</i> | <i>Class 3</i> | <i>Class 4</i> |
| 2000 | 10.366 | 11.167 | 10.851 | 9.398 | 9.989 |
| 2001 | 10.366 | 11.255 | 10.847 | 10.540 | 9.768 |
| 2002 | 10.366 | 11.609 | 10.792 | 10.541 | 9.712 |
| 2003 1st half | 10.366 | 11.936 | 10.564 | 10.607 | 9.776 |
| 2003 2nd half | 12.283 | 14.160 | 12.517 | 12.565 | 11.580 |
| 2004 | 12.283 | 14.550 | 12.620 | 12.418 | 11.431 |
| 2005 | 12.283 | 15.094 | 12.216 | 12.553 | 11.558 |
| 2006 | 12.283 | 15.746 | 12.396 | 12.309 | 11.306 |
| 2007 | 12.283 | 16.118 | 12.737 | 12.007 | 10.997 |
| 2008 | 11.423 | 15.434 | 11.928 | 11.577 | 10.059 |
| 2009 1st half | 11.423 | 15.605 | 12.139 | 11.698 | 9.870 |
| 2009 2nd half | 12.283 | 16.787 | 13.053 | 12.577 | 10.612 |
| 2010 | 12.283 | 17.088 | 13.241 | 12.743 | 10.426 |
| 2011 | 12.283 | 17.364 | 13.353 | 12.631 | 10.312 |
| 2012 | 12.283 | 18.205 | 13.433 | 12.473 | 10.152 |
| 2013 | 12.283 | 18.569 | 13.181 | 12.477 | 10.288 |
| 2014 | 12.283 | 19.191 | 13.145 | 11.902 | 10.323 |
| 2015 | 12.283 | 19.157 | 12.855 | 11.125 | 10.684 |
| 2016 | 12.283 | 19.554 | 12.883 | 10.813 | 10.656 |
| 2017 | 12.283 | 19.991 | 12.892 | 10.934 | 10.574 |
| 2018 | 12.283 | 20.385 | 12.719 | 11.891 | 10.514 |
| 2019 | 12.283 | 20.919 | 12.612 | 12.093 | 10.514 |
| 2020 | 12.283 | 21.167 | 12.473 | 12.536 | 10.538 |
| 2021 | 12.283 | 21.045 | 12.267 | 12.826 | 10.694 |
| 2022 | 12.283 | 19.963 | 12.235 | 12.289 | 10.755 |
| 2023 | 12.283 | 20.309 | 12.267 | 12.755 | 10.646 |

Note: Citywide tax rates are weighted averages shown for comparative purposes only.

PRECONSIDERD RESOLUTION NO. 233

By Council Member Ayala

RESOLUTION TO PROVIDE THE AMOUNTS NECESSARY FOR THE SUPPORT OF THE GOVERNMENT OF THE CITY OF NEW YORK AND THE COUNTIES THEREIN AND FOR THE PAYMENT OF INDEBTEDNESS THEREOF, FOR THE FISCAL YEAR BEGINNING ON JULY 1, 2022 AND ENDING ON JUNE 30, 2023, BY THE LEVY OF TAXES ON THE REAL PROPERTY IN THE CITY OF NEW YORK, IN ACCORDANCE WITH THE PROVISIONS OF THE CONSTITUTION OF THE STATE OF NEW YORK, THE REAL PROPERTY TAX LAW AND THE NEW YORK CITY CHARTER

Whereas, On April 26, 2022, pursuant to the Section 249 of the New York City Charter (the "Charter"), the Mayor of the City of New York (the "Mayor") submitted to the Council of the City of New York (the "Council"), the executive budget for the support of the government of the City of New York and the counties therein (collectively, the "City") for the fiscal year beginning on July 1, 2022 and ending on June 30, 2023 ("Fiscal 2023"); and

Whereas, On May 25, 2022, pursuant to Section 1514 of the Charter, the Commissioner of the Department of Finance (the "Commissioner") delivered to the Council, the certified assessment rolls for all real property assessable for taxation in the City in each borough thereof for Fiscal 2023 a certified copy of which is in the Office of the Clerk of the City pursuant to Section 516, Real Property Tax Law (the "Fiscal 2023 Assessment Rolls"); and

Whereas, On June 13, 2022, the Council adopted a resolution in which the Council computed and certified the current base proportion, the current percentage and the base percentage of each class of real property in the City for Fiscal 2023 pursuant to Section 1803-a(1) of the Real Property Tax Law (the "Current Base Proportion Resolution"); and

Whereas, On June 13, 2022, pursuant to Section 1803-a(5) of the Real Property Tax Law, the Council adopted a resolution in which the Council adjusted the current base proportion of each class of real property in the City for Fiscal 2023, to reflect the additions to, and full or partial removal from, the Fiscal 2023 Assessment Rolls (the "Adjusted Base Proportion Resolution"); and

Whereas, On June 13, 2022, pursuant to Section 254 of the Charter, the Council adopted the budget for the support of the government of the City and for the payment of indebtedness thereof for Fiscal 2023 (the "Fiscal 2023 Budget"); and

Whereas, On June 13, 2022, pursuant to Section 1515(a) of the Charter, the Mayor prepared and submitted to the Council, a statement setting forth the amount of the Fiscal 2023 Budget as approved by the Council (the "Fiscal 2023 Budget Statement") and an estimate of the probable amount of receipts into the City treasury during Fiscal 2023 from all the sources of revenue of the general fund and all receipts other than those of the general fund and taxes on real property, a copy of which is attached hereto as Exhibit A (the "Fiscal 2023 Revenue Estimate");

NOW, THEREFORE, BE IT RESOLVED by The Council of The City of New York as follows:

Section 1. Fixing of Real Property Tax Rates for Fiscal 2023.

a. Determining the Amount of the Real Property Tax Levy.

(i) The total amount of the Fiscal 2023 Budget as set forth in the Fiscal 2023 Budget Statement is \$101,123,813,371.

(ii) The estimate of the probable amount of receipts into the City treasury during Fiscal 2023 from all the sources of revenue of the general fund and all receipts other than those of the general fund and taxes on real property as set forth in the Fiscal 2022 Revenue Estimate is \$69,846,402,371.

(iii) Pursuant to Section 1516 of the Charter, the Council hereby determines that the amount required to be raised by tax on real property shall be \$31,277,411,000, which is derived from deducting the amount set forth in the Fiscal 2023 Revenue Estimate from the amount of the Fiscal 2023 Budget.

(iv) In order to achieve a real property tax yield of \$31,277,411,000 due to provision for uncollectible taxes and refunds and collection of levies from prior years, the Council hereby determines that a real property tax levy of \$33,853,650,640 will be required, calculated as follows:

Not Subject to the 2 1/2 Percent Tax Limitation:

| | | |
|-------------------|--|---------------|
| For Debt Service: | | |
| Funded Debt | | \$836,487,953 |

Amount Required for Debt Service and Financing as:

| | | |
|-----------------------------|----------------|---------------|
| Provision for Uncollectible | | |
| Taxes | \$68,899,354 | |
| Provision for Refunds | \$10,697,662 | |
| Collection of Prior Years' | | |
| Levies | (\$10,697,662) | \$905,387,307 |

Subject to the 2 1/2 Percent Tax Limitation:

| | | |
|---------------------------------|--|------------------|
| For Debt Service: | | |
| Temporary Debt | | |
| Interest on Temporary Debt | | \$0 |
| For General Operating Expenses: | | |
| Funds Required | | \$30,440,923,047 |

Amount Required for Debt Service and Operating Expenses as:

| | | |
|-----------------------------|-----------------|-----------------------|
| Provision for Uncollectible | | |
| Taxes | \$2,507,340,286 | |
| Provision for Refunds | \$389,302,338 | |
| Collection of Prior Years' | | |
| Levies | (\$389,302,338) | <u>32,948,263,332</u> |

| | | |
|-------------------------------------|--|-------------------------|
| <i>TOTAL REAL PROPERTY TAX LEVY</i> | | <u>\$33,853,650,640</u> |
|-------------------------------------|--|-------------------------|

The Council hereby determines that such amount, levied at such rates on the classes of real property pursuant to paragraph (iv) of subsection b below will produce a balanced budget within generally accepted accounting principles for municipalities.

(v) The real property tax levy, net of provision for uncollectible taxes and refunds and the collection of levies from prior years, determined pursuant to clause (iv) above shall be applied as follows:

| | |
|---|------------------|
| (A) For payment of debt service not subject to the 2 1/2 percent tax limitation: | \$836,487,953 |
| (B) For debt service on short-term debt subject to the 2 1/2 percent tax limitation: | \$0 |
| (C) To provide for conducting the public business of the City and to pay the appropriated expenditures for the counties therein as set forth in the Fiscal 2023 Budget in excess of the amount of revenues estimated in the Fiscal 2023 Revenue Estimate: | \$30,440,923,047 |

b. Authorizing and Fixing the Real Property Tax Rates.

(i) Assessed Valuation Calculations of Taxable Real Property in the City. The Fiscal 2023 Assessment Rolls set forth the following valuations by class within each borough of the City.

(A) The assessed valuation by class of real property for the purpose of taxation in each borough of the City is set forth below:

| Assessment by Class of Property Subject to Taxation for All Purposes | | | | | |
|---|---|---|-----------------------------|-------------------------------|--|
| Borough | All One, Two and Three Family Residential Real Property* | All Other Residential Real Property | Utility Real Property | All Other Real Property | Assessment of Property Subject to Taxation for All Purposes |
| Manhattan | \$1,263,004,588 | \$74,360,439,353 | \$7,566,418,863 | \$88,161,118,039 | \$171,350,980,843 |
| The Bronx | 1,936,051,502 | 5,341,830,377 | 2,592,817,203 | 5,440,844,957 | 15,311,544,039 |
| Brooklyn | 7,320,895,824 | 16,423,572,288 | 4,071,512,896 | 12,612,948,273 | 40,428,929,281 |
| Queens | 10,097,456,681 | 12,099,060,317 | 4,071,668,354 | 14,394,988,792 | 40,663,174,144 |
| Staten Island | 3,587,870,873 | 419,742,570 | 1,206,114,063 | 2,646,239,689 | 7,859,967,195 |
| TOTAL | \$24,205,279,468 | \$108,644,644,905 | \$19,508,531,379 | \$123,256,139,750 | \$275,614,595,502 |

(ii) Chapter 389 of the Laws of 1997 established a real property tax exemption providing school tax relief (Section 425 of the Real Property Tax Law). Pursuant to subdivision 8 of Section 425, the assessment by tax class of property subject to taxation for all purposes has been increased by the amounts shown below for purposes of: (a) determining the City's tax and debt limits pursuant to law; (b) determining the amount of taxes to be levied; (c) calculating tax rates by tax class; and (d) apportioning taxes among classes in a special assessing unit under Article 18, Real Property Tax Law.

(A) The assessed valuation by class of real property for the purpose of taxation in each borough of the City exempted under Section 425 of the Real Property Tax Law is set forth below:

| Assessment by Class of Property Exempted under Section 425 of the Real Property Tax Law, for All Purposes | | | | |
|--|---|---|-------------------------------|---|
| Borough | All One, Two and Three Family Residential Real Property* | All Other Residential Real Property** | All Other Real Property | Exempted under Section 425 of the Real Property Tax Law, for All Purposes |
| Manhattan | \$1,765,140 | \$106,681,704 | \$0 | \$108,446,844 |
| The Bronx | 44,964,439 | 24,957,382 | 0 | 69,921,821 |
| Brooklyn | 143,543,217 | 64,896,832 | 28,540 | 208,468,589 |
| Queens | 219,678,601 | 121,698,833 | 39,380 | 341,416,814 |
| Staten Island | 96,301,390 | 3,952,054 | 0 | 100,253,444 |
| TOTAL | \$506,252,787 | \$322,186,805 | \$67,920 | \$828,507,512 |

*Includes condominiums of three stories or fewer which have always been condominiums.

** Only residential real property held in the cooperative or condominium form of ownership qualifies for the real property tax exemption providing school tax relief.

(iii) Operating Limit Provisions. The Council hereby determines that the amount to be raised by tax on real property for the Fiscal 2023 Budget pursuant to clause (iii) of subsection (a) of Section 1 hereof does not exceed the limit imposed by Section 10 of Article VIII of the Constitution of the State of New York, as amended, and Article 12-A of the Real Property Tax Law (the "Operating Limit Provisions"). *

(A) The Operating Limit Provisions require that the City not raise an amount by tax on real property in any fiscal year in excess of an amount equal to a combined total of two and one-half percent (2 1/2 %) of the average full valuation of taxable real property, less (i) the amount to be raised by tax on real property in such year for the payment of the interest on and the redemption of certificates or other evidence of indebtedness described therein and (ii) the aggregate amount of district charges, exclusive of debt service, imposed in such year by business improvement districts pursuant to Article 19-A of the General Municipal Law.

(B) The Operating Limit Provisions require that average full valuations of taxable real property be determined by taking the assessed valuations of taxable real property on the last completed assessment roll and the four (4) preceding assessment rolls of the City and applying thereto the special equalization ratios which such assessed valuations of each such roll bear to the full valuations as fixed and determined by the State Office of Real Property Services ("ORPS") pursuant to Section 1251, Real Property Tax Law, as shown below:

| Fiscal Year | Assessed Valuations | Equalization Ratio | Full Valuations |
|--|---------------------|--------------------|-------------------------|
| 2019 | 240,777,862,121 | 0.1956 | 1,230,970,665,240 |
| 2020 | 257,509,634,870 | 0.2004 | 1,284,978,217,914 |
| 2021 | 271,688,749,747 | 0.2307 | 1,177,671,216,935 |
| 2022 | 257,560,316,555 | 0.2039 | 1,263,169,772,217 |
| 2023 | 275,614,595,502 | 0.1947 | 1,415,586,006,687 |
| | | <i>AVERAGE</i> | \$1,274,475,175,799 |
| 2 1/2 percent thereof for Fiscal 2023..... | | | \$31,861,879,395 |
| Less debt service subject to the 2 1/2 percent tax limitation: | | | |
| Temporary debt | | | |
| Interest on temporary debt..... | | | \$0 |
| Less aggregate amount of business improvement district charges subject to the 2 1/2 percent tax limitation..... | | | <u>(\$147,501,254)</u> |
| Constitutional amount subject to the limitation which may be raised for other than debt service in accordance with the provisions of Section 10 of Article VIII of the State Constitution..... | | | <u>\$31,714,378,141</u> |

* The amount to be raised by tax on real property for purposes of the Operating Limit determination is equal to the real property tax levy as reduced by the net reductions in amounts collected as authorized by New York State law.

(iv) Adjusted Base Proportions. Pursuant to the Adjusted Base Proportion Resolution, the Council certified the following adjusted base proportions to be used in determining the Fiscal 2023 tax rates for the four classes of properties:

| | |
|---|----------------|
| All One-, Two- and Three-Family Residential Real Property*..... | 14.5206 |
| All Other Residential Real Property..... | 39.3688 |
| Utility Real Property..... | 7.3500 |
| All Other Real Property..... | <u>38.7606</u> |
| Total..... | 100.0000 |

*Includes condominiums of three stories or fewer which have always been condominiums.

(v) Tax Rates on Adjusted Base Proportions.

(A) Pursuant to Section 1516 of the Charter, the Council hereby authorizes and fixes the rates of tax for Fiscal 2023 by class upon each dollar of assessed valuation of real property subject to taxation for all purposes of, and within, the City, as fixed in cents and thousandths of a cent per dollar of assessed valuation, as follows:

| | All One, Two and Three Family Residential Real Property* | All Other Residential Real Property | Utility Real Property | All Other Real Property |
|--|--|-------------------------------------|-----------------------|-------------------------|
| Subject to the 2 1/2 percent tax limitation as authorized by Section 10 of Article VIII of the State Constitution including a reserve for uncollectible taxes..... | 0.19766 | 0.11939 | 0.12414 | 0.10361 |
| Not subject to the 2 1/2 percent tax limitation as authorized by Sections 10 and 11 of Article VIII of the State Constitution including a reserve for uncollectible taxes..... | <u>0.00543</u> | <u>0.00328</u> | <u>0.00341</u> | <u>0.00285</u> |
| Decimal rate on adjusted proportion for all purposes..... | <u>0.20309</u> | <u>0.12267</u> | <u>0.12755</u> | <u>0.10646</u> |

*Includes condominiums of three stories or fewer which have always been condominiums.

Section 2. Authorization of the Levy of Real Property Taxes for Fiscal 2023.

a. Pursuant to Section 1517 of the Charter, the Council hereby authorizes and directs the Commissioner to (i) set down in the Fiscal 2023 Assessment Rolls, opposite to the several sums set down as the valuation of real property, the respective sums, in dollars and cents, to be paid as a tax thereon, rejecting the fractions of a cent and add and set down the aggregate valuations of real property in the boroughs of the City and (ii) send a certificate of such aggregate valuation in each such borough to the Comptroller of the State.

b. Pursuant to Section 1518 of the Charter, immediately upon the completion of the Fiscal 2023 Assessment Rolls, the City Clerk shall procure the proper warrants in the form attached hereto as Exhibit B to be signed by the Public Advocate of the City ("Public Advocate") and counter-signed by the City Clerk authorizing and requiring the Commissioner to collect the several sums therein mentioned according to law and immediately thereafter the Fiscal 2023 Assessment Rolls of each borough shall be delivered by the Public Advocate to the Commissioner with proper warrants, so signed and counter-signed, annexed thereto.

Section 3. Effective Date.

This resolution shall take effect as of the date hereof.

Exhibit A



THE CITY OF NEW YORK

June 13, 2022

To The HONORABLE COUNCIL of THE CITY OF NEW YORK

For the Expense Budget of the City of New York as adopted by the Council pursuant to Section 254 of the Charter for the Fiscal Year beginning July 1, 2022 and ending June 30, 2023 (Fiscal Year 2023), the amount of appropriation is:

| | |
|---------------------|-------------------|
| Amount Appropriated | \$101,123,813,371 |
|---------------------|-------------------|

Pursuant to Section 1515 of the City Charter, the probable amounts and sources of revenues (other than Real Property Taxes) for Fiscal Year 2023, as estimated by me on April 26, 2022 and as revised by me on May 25, 2022, are further revised as set forth below. I hereby determine that it is fiscally necessary to make such revision due to changed circumstances. The basis for such determination is our updated projections with respect to Federal and State grants, other categorical aid and transfer from capital funds. As a result, the total projected amount of appropriation has decreased by \$76,455,466 since the date of my previous revenue estimate.

| | | |
|---------------------------------------|--------------------|------------------|
| Taxes (excluding Real Property Taxes) | | \$35,750,281,000 |
| Miscellaneous Revenues | \$5,337,448,166 | |
| Grants: | | |
| Federal | 9,284,586,039 | |
| State | 16,751,575,512 | |
| Provision for Disallowances | (15,000,000) | |
| Unrestricted State and Federal Aid | 251,600,000 | |
| Other Categorical Aid | 1,028,757,868 | |
| Transfer from Capital Funds | 736,250,786 | |
| Tax Audit Revenue | <u>720,903,000</u> | \$34,096,121,371 |

| | |
|---|------------------|
| Making the total amount of the Expense Budget for the Fiscal Year 2023 to be financed by Real Property Taxes (after provision for uncollectibles, refunds and collection of prior years' levies): | \$31,277,411,000 |
|---|------------------|

In order to achieve the required Real Property Tax yield of \$31,277,411,000, a Real Property Tax levy of \$33,853,650,640 will be required:

The amount of taxes on real estate to be levied subject to the 2-1/2 percent tax limitation as authorized by Article VIII Section 10 of the State Constitution including a provision for uncollectible taxes \$32,948,263,333

The amount of taxes on real estate to be levied not subject to the 2-1/2 percent tax limitation as authorized by Article VIII Sections 10 and 11(a) of the State Constitution including a provision for uncollectible taxes \$905,387,307

Total amount of Real Property Taxes to be levied for the Fiscal Year 2023 is \$33,853,650,640

Very truly yours,



Eric Adams

Mayor

EXHIBIT B

FORM OF WARRANT

WARRANT

To Preston Niblack, Commissioner of Finance of the City of New York:

You are hereby authorized and required, in accordance with the provisions of the Real Property Tax Law and the New York City Charter, to collect the real property tax on the properties named and described in the real property assessment roll in accordance with the assessments thereon and the tax rates fixed by the City Council for the fiscal year beginning on July 1, 2022.

Public Advocate of the
City of New York

Clerk of the City of
New York

(SEAL)