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|  | **The Council of the City of New York**  **Finance Division**  **Latonia McKinney, Director**  **Fiscal Impact Statement**  **Proposed Intro. No: 1133-A**  **Committee: Housing and Buildings** |
| **Title:** A Local Law to amend the administrative code of the city of New York, in relation to the denial of certain building permits where outstanding charges are owed to the city | **Sponsors:** Council Members Vacca, Rose, Chin, Grodenchik, Williams, Kallos, Rosenthal and Ulrich |

**Summary of Legislation:** Proposed Intro. No. 1133-A would require the Department of Buildings (DOB) to withhold building permits for new buildings, demolitions and major alterations for certain properties where $25,000 or more in unpaid charges are owed to the city or where the owners of such properties owe, in aggregate, $25,000 or more in unpaid charges to the city. The bill would provide certain exceptions to this prohibition, such as where the permit would be required to correct a dangerous condition or where the applicant has entered a repayment plan with the New York City Department of Finance (DOF).

**Effective Date:** This local law would take effect 120 days after it becomes law, except that the Commissioner of Buildings may take such measures as are necessary for its implementation, including the promulgation of rules, prior to its effective date.

**Fiscal Year In Which Full Fiscal Impact Anticipated:** Fiscal 2019

**Fiscal Impact Statement:**

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|  | **Effective FY18** | **FY Succeeding Effective FY19** | **Full Fiscal Impact FY19** |
| **Revenues** | See below | See below | See below |
| **Expenditures** | $0 | $0 | $0 |
| **Net** | See below | See below | See below |

**Impact on Revenues:** It is estimated that there would be some increase in revenues resulting from the enactment of this legislation. In 2016, DOB issued approximately 109,277 building permits, of which 5,600 permits were for new buildings and major alterations. In 2016, on average, each permit issued by DOB generated about $1,469 in revenue for the City. According to testimony provided by DOF, there are currently 10,000 entities that have $25,000 in outstanding past due fees. However, due to data limitations, it is not known how many of these entities would apply for a building permit after the enactment of this legislation. In addition, it is not known how many might enter into a repayment plan with the City, pay off all outstanding debt, or be denied a building permit in accordance with the legislation. To the extent that this legislation incentivizes the payment of unpaid charges, it is anticipated that this would result in an increase in revenue to the City. To the extent that this legislation would cause an entity to be denied a permit it would have received in the absence of this legislation, this would result in a loss of revenue to the City.

**Impact on Expenditures:** It is estimated that there would be no impact on expenditures resulting from the enactment of this legislation.

**Source of Funds To Cover Estimated Costs:** Not applicable.

**Source of Information:** New York City Council Finance Division

New York City Department of Finance

New York City Department of Buildings

**Estimate Prepared by:** Sarah Gastelum, Principal Legislative Financial Analyst

**Estimated Reviewed by:** Chima Obichere, Unit Head

Nathan Toth, Deputy Director

Rebecca Chasan, Counsel

**Legislative History:** This legislation was introduced to the full Council on March 22, 2016, as Intro. No. 1133 and was referred to the Committee on Housing and Buildings (Committee). A hearing was held by the Committee on March 23, 2017, and the bill was laid over. The legislation was subsequently amended, and the amended version, Proposed Intro. No. 1133-A, will be considered by the Committee on August 8, 2017. Following a successful Committee vote, the bill will be submitted to the full Council for a vote on August 9, 2017.

**Date Prepared:** August 7, 2017