|  |  |
| --- | --- |
|  | **The Council of the City of New York**  **Finance Division**  **Latonia McKinney, Director**  **Fiscal Impact Statement**  **Proposed Intro. No: 1437-A**  **Committee: Housing and Buildings** |
| **Title:** A Local Law to amend the administrative code of the city of New York, in relation to increasing the civil penalties for construction sites with excessive violations | **Sponsors:** Council Members Menchaca, Crowley, Salamanca, Gentile, Rosenthal, Rose, Reynoso, Levin, Espinal, Cornegy, Richards, Chin and Kallos |

**Summary of Legislation:** Proposed Intro. No. 1437-A would double the civil penalties for major construction sites, construction work on a one-, two- or three-family buildings, and other construction sites with a violation ratio equal to or greater than 19 percent. The legislation would exempt sites that are the subject of an in rem foreclosure judgment in favor of the City and that were transferred to a third party pursuant to the Administrative Code,, sites subject to the Article 7A management program and rehabilitation projects financed through the New York City Department of Housing Preservation and Development (HPD) or the New York City Housing Development Corporation (HDC).

**Effective Date:** This local law would take effect on June 1, 2018, except that the Commissioner of the Department of Buildings may take such measures as are necessary for its implementation, including the promulgation of rules, before such effective date.

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

**Fiscal Impact Statement:**

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

**Impact on Revenues:** It is estimated that there would be no impact on revenues resulting from the enactment of this legislation because full compliance with the legislation is anticipated.

**Impact on Expenditures:** It is anticipated that there would be no impact on expenditures resulting from the enactment of this legislation because existing resources would be used by DOB to implement the provisions of this local law and non-City entities would bear the costs of any penalties in connection with excessive violations pursuant to the legislation.

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

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

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

**Estimated Reviewed by:** Eric Bernstein, Counsel

**Legislative History:** This legislation was introduced to the full Council on January 18, 2017 as Intro. No. 1437 and was referred to the Committee on Housing and Buildings (Committee). A hearing was held by the Committee on January 31, 2017, and the bill was laid over. The legislation was subsequently amended, and the amended version, Proposed Intro. No. 1437-A, will be considered by the Committee on October 16, 2017. Following a successful Committee vote, the bill will be submitted to the full Council for a vote on October 17, 2017.

**Date Prepared:** October 12, 2017