



**REPORT OF THE
COMMITTEE ON FINANCE**

**FINANCE DIVISION
LATONIA MCKINNEY, DIRECTOR**

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

On June 14, 2018, the Council adopted a resolution computing and certifying the current base proportions for Fiscal 2018 (the "CBP Resolution"). After the adoption of the CBP Resolution, Section 1803-a, Real Property Tax Law, was amended to lower the percent of increase in the current base proportion as compared with the previous year's adjusted base proportion from 5.0 percent to 0.5 percent, which altered the calculations contained in the CBP Resolution. Pursuant to this amendment to state law, the Council will vote to adopt a resolution on November 14, 2018, amending and restating the CBP Resolution. On June 14, 2018, the Council also adopted a resolution computing and certifying the adjusted base proportion of each class of real property for Fiscal 2019 (the "ABP Resolution"). The above-captioned resolution amends and restates the ABP Resolution to reflect the changes in the proposed November 14, 2018 CBP Resolution.

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 the State Board of Real Property Tax Services ("SBRPTS") 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 SBRPTS 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 based proportions. Classes 2 and 3, on the other hand, see increases due to physical changes pushing their adjusted base percentage about 0.5 percent and 4.8 percent, respectively, over their current base proportions (see exhibit A of the above-captioned resolution).

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

Comparison of Class Shares for Fiscal 2018 and Fiscal 2019			
Class	Fiscal 2018	Fiscal 2019	Percent Change
1	14.8429	14.6808	-1.09
2	37.4190	37.8078	+1.04
3	6.2975	6.2255	-1.14
4	41.4406	41.2859	-0.37
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	\$20.919	\$0.53
2	12.719	12.612	-0.11
3	11.891	12.093	0.20
4	10.514	10.514	0.00