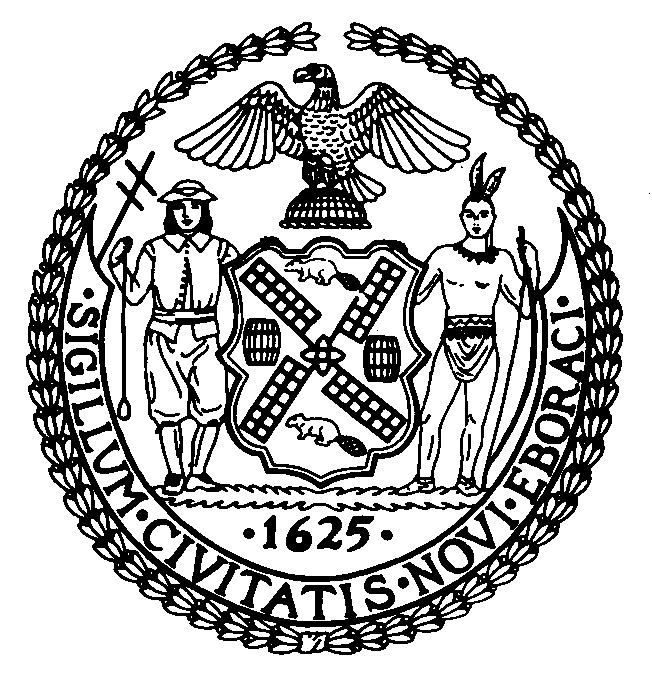
Staff:

Rebecca Chasan, Senior Counsel

Noah Brick, Assistant Counsel Raymond Majewski, Chief Economist/Deputy Director

Emre Edev, Assistant Director

Andrew Wilber, Economist



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**T H E C O U N C I L**

**REPORT OF THE FINANCE DIVISION**

**LATONIA MCKINNEY, DIRECTOR**

**COMMITTEE ON FINANCE**

# HON. DANIEL DROMM, CHAIR

**June 25, 2020**

**PRECONSIDERED RES. 1350:** By: Council Member Dromm

**TITLE**: Resolution to adopt an interest rate of 7.5 percent for a portion of Fiscal Year 2021 for the non-payment of taxes on real property with an assessed value over $250,000 for property owners adversely affected by COVID-19 as authorized by the local law for the year 2020 as proposed in introduction number 1964-A

Proposed Int. 1964-A, sponsored by the Council Member Chin, would authorize the City Council to pass a resolution adopting a 7.5 percent interest rate for the late payment of property taxes due on July 1, 2020, and paid by October 15, 2020 for certain real property owners. To be eligible, property owners would be required to demonstrate to the Department of Finance (DOF) by no later than September 30, 2020 that such property owner has been adversely affected by COVID-19 and either: (a) owns class 4 real property with an assessed value of more than $250,000 and less than $750,000; or (b) owns real property with an assessed value over $250,000 where at least 50 percent of the property is used for residential rental dwellings and contains no more than 30 rental dwelling units, of which at least 50 percent are rent regulated accommodations. For the first category, adversely affected by COVID-19 means the income of the property owner declined between March 7, 2020 and June 30, 2020, by at least 50 percent as compared to the corresponding period in the previous calendar year, and for the second category that the income of the property owner declined between March 7, 2020 and June 30, 2020, by at least 25 percent as compared to the corresponding period in the previous calendar year. Proposed Int. 1964-A would be retroactive to and deemed to have been in effect as of June 25, 2020, and would authorize the Council to take such measures as are necessary for its implementation on or before such date, including the adoption of the resolution expressly authorized by the legislation.

This Preconsidered Resolution would set the 7.5 percent interest rate as authorized by Proposed Int. 1964-A. The Preconsidered Resolution takes effect on the same date as the local law for the year 2020 as proposed in introduction number 1964-A takes effect.

Preconsidered Res. No.

R..Title

Resolution to adopt an interest rate of 7.5 percent for a portion of Fiscal Year 2021 for the non-payment of taxes on real property with an assessed value over $250,000 for property owners adversely affected by COVID-19 as authorized by the local law for the year 2020 as proposed in introduction number 1964-A

By Council Member Dromm

Whereas, Pursuant to the local law for the year 2020 as proposed in introduction number 1964-A, the Council of the City of New York is authorized to adopt by resolution an interest rate of 7.5 percent for a portion of Fiscal Year 2021 for the nonpayment of taxes on real property with an assessed value of more than $250,000 for property adversely affected by COVID-19; and

Whereas, Pursuant to the legislation, the Council is authorized to adopt an interest rate of 7.5 percent for nonpayment of taxes due on July 1, 2020 for Fiscal Year 2021, and paid between July 1 and October 15, 2020, on real property which (1) is classified as class 4 pursuant to section 1802 of the real property tax law with an assessed value of more than $250,000 and less than $750,000; or (2) has an assessed value over $250,000 (i) where at least 50 percent of the property is used for residential rental dwellings; and (ii) which contains no more than 30 rental dwelling units of which at least 50 percent are rent regulated accommodations, provided that no later than September 30, 2020, such property owner submits documentation to the commissioner of finance demonstrating that such property owner has been adversely affected by the COVID-19 pandemic; and

Whereas, For the first category of properties, adversely affected by the COVID-19 pandemic means the income of the property owner from such real property declined, between March 7, 2020 and June 30, 2020, by at least 50 percent as compared to the corresponding period in the previous calendar year due to COVID-19; and

Whereas, For the second category of properties, adversely affected by the COVID-19 pandemic means the income of the property owner from such real property declined, between March 7, 2020 and June 30, 2020, by at least 25 percent as compared to the corresponding period in the previous calendar year due to COVID-19

Resolved, That an interest rate of 7.5 percent is hereby adopted for a portion of Fiscal Year 2021 for the non-payment of taxes on real property with an assessed value over $250,000 for property owners adversely affected by COVID-19 as authorized by the local law for the year 2020 as proposed in introduction number 1964-A; and be it further

Resolved, That this resolution shall take effect on the same date as the local law for the year 2020 as proposed in introduction number 1964-A takes effect.

NAB

LS #15582

06/23/2020