|  |  |
| --- | --- |
|  | **The Council of the City of New YorkFinance Division**Latonia Mckinney, Director**Fiscal Impact Statement****Proposed Intro.** 1964-A**Committee:** Finance  |
| **Title:** A local law to authorize adoption by resolution of an interest rate for nonpayment of taxes on real property with an assessed value over two hundred fifty thousand dollars in fiscal year 2021 for certain property owners adversely affected by COVID-19 | **Sponsor(s):** Council Members Chin and Adams |

**Summary of Legislation:** This bill 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.

**Effective Date:** This local law would take effect immediately and be retroactive to and deemed to have been in effect as of June 25, 2020, except that the council of the city of New York may take such measures as are necessary for the implementation of this local law, including the adoption of the resolution that is the subject of this local law, on or before such date.

**Fiscal Year In Which Full Fiscal Impact Anticipated:** Fiscal 2021

**Fiscal Impact Statement:**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Effective FY20** | **FY Succeeding****Effective FY21** | **Full Fiscal Impact FY21** |
| **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. This legislation would authorize the Council to adopt a 7.5 percent interest rate for properties that meet specified criteria but would not mandate it. Therefore, since it does not directly effectuate different interest rates, there is no impact on revenues directly attributed to this legislation.

**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:** N/A

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

 New York City Banking Commission

**Estimate Prepared by:** Andrew Wilber, Economist

**Estimate Reviewed by:** Emre Edev, Assistant Director

Raymond Majewski, Deputy Director/Chief Economist

Rebecca Chasan, Senior Counsel

**Legislative History:** This legislation was heard by the Committee on Finance (Committee) as a Preconsidered Introduction on June 10, 2020 and was laid over. The legislation was then introduced as Introduction No. 1964 and referred back to the Committee. The legislation was subsequently amended and the amended legislation, Proposed Int. No. 1964–A, will be considered by the Committee on June 25, 2020. Upon a successful vote by the Committee, the legislation will be submitted to the full Council for a vote on June 25, 2020.

**Date Prepared:** June 22, 2020