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|  | **The Council of the City of New York**  **Finance Division**  Latonia McKinney, Director  **Fiscal Impact Statement**  **Proposed Int. No.:** 2234-A  **Committee:** Small Business |
| **Title:**  A Local Law to establish a temporary program to resolve outstanding judgments imposed by the environmental control board | **Sponsors:** By Council Members Gjonaj, Chin, Cabrera, The Speaker (Council Member Johnson), Holden, Ayala, Gibson, Brannan and Rosenthal |
| **Summary of Legislation:** Proposed Int. No. 2234-A would require the Commissioner of Finance to establish a temporary program to resolve outstanding judgments imposed by the Environmental Control Board (ECB). Subject to certain conditions, default penalties and associated accrued interest would be waived. Eligible respondents would be able to resolve judgments docketed prior to March 7, 2020 by payment of 75% of the imposed penalties without payment of accrued interest, and respondents would be able to resolve judgments docketed on or after March 7, 2020 by payment of 25% of the imposed penalties without payment of accrued interest. The program would last for 90 days in Fiscal 2022 and the Commissioner would be able to extend the program for an additional 90 days. Judgments entered in the 90 days leading up to the start of the program would be ineligible for resolution under the terms of the program. Respondents who made certain partial penalty payments prior to the start of the program would be eligible to resolve the associated judgments. | |
| **Effective Date:** This local law would take effect immediately. | |
| **Fiscal Year In Which Full Fiscal Impact Anticipated:** Fiscal 2022 | |
| **Fiscal Impact Statement:**   |  |  |  |  | | --- | --- | --- | --- | |  | **Effective FY22** | **FY Succeeding**  **Effective FY23** | **Full Fiscal** Impact FY22 | | **Revenues (+)** | **$40,000,000** | **$0** | **$40,000,000** | | **Expenditures (-)** | **$1,000,000** | **$0** | **$1,000,000** | | **Net** | **$39,000,000** | **$0** | **$39,000,000** | | |
| **Impact on Revenues:** It is estimated that the enactment of the legislation would impact revenues because the amnesty program would allow DOF to collect unpaid ECB penalties that it otherwise would not collect. While projected participation in the program is difficult to quantify in advance, DOF assumes that it will collect at least $40 million in unpaid ECB penalties through the amnesty program that otherwise would have not been collected. A similar program in 2016 brought in $45 million in additional revenue. One reason less income is assumed than in 2016 is that this program provides for a deeper discount on judgements docketed on or after March 7, 2020. | |
| **Impact on Expenditures:** It is estimated that implementing this legislation would cost $1 million in order to conduct the outreach and media campaign required by the law, which include the cost of running newspaper and radio advertisements and printing posters and flyers. | |
| **Source of Funds To Cover Estimated Costs:** General Fund | |
| **Source of Information:**  New York City Council Finance Division | |
| **Estimate Prepared by**: Aliya Ali, Principal Financial Analyst    **Estimate Reviewed by:** Noah Brick, Assistant Counsel  Nathan Toth, Deputy Director  Crilhien Francisco, Unit Head  **Legislative History:** The Committee on Small Business (Committee) heard this legislation as preconsidered item on February 25, 2021, and the legislation was laid over. This legislation was introduced to the full Council as Int. No. 2234 on March 1, 2021 and was referred to the Committee. The legislation was subsequently amended and the amended version, Proposed Int. No. 2234-A, will be voted on by the Committee at a hearing on June 17, 2021. Upon successful vote by the Committee, Proposed Int. No. 2234-A will be submitted to the full Council for a vote on June 17, 2021. | |

**Date Prepared:** June 14, 2021