

**Report of the**

**Committee on Finance**

**Finance Division**

**Latonia McKinney, Director**

**RESOLUTION COMPUTING AND CERTIFYING ADJUSTED BASE PROPORTION OF EACH CLASS OF REAL PROPERTY FOR FISCAL 2022 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 of the Real Property Tax Law to establish the class shares used in levying the real property taxes for the adopted Fiscal 2022 budget.

In a separate resolution, the Council computed and certified the current base proportions for Fiscal 2022 (the "CBP Resolution"). The above-captioned resolution uses those current base proportions, together with data supplied by the New York City Department of Finance from the final assessment roll released on May 25, 2021, to determine the adjusted base proportions (or class shares) in accordance with the procedure established by the State Board of Real Property Tax Services (the "SBRPTS").

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 SBRPTS has established class equalization rates, 2020. The CBP Resolution modified the class shares for the Fiscal 2022 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 SBRPTS Form RP-6702, attached to the above-captioned resolution, modify the share for each class to reflect physical changes. For Fiscal 2022, assessments in all property tax classes undergo a slight impact from physical changes resulting in adjustments to the proportions of the levy assigned to each class. The Fiscal 2022 adjusted base proportions for Classes 1, 2, and 4 decrease from their respective Fiscal 2022 current base proportions by 1.4 percent, 0.4 percent, and 0.1 percent respectfully. Conversely, the adjusted base proportion in Class 3 increases by 6.2 percent.

Correspondingly, changes in the adjusted base proportions between Fiscal 2021 and Fiscal 2022, as reported in the table below, reflect increases for Classes 1, 2, and 3, with the adjusted base proportion for Class 4 decreasing.

|  |  |  |  |
| --- | --- | --- | --- |
| Comparison of Class Shares for Fiscal 2021 and Fiscal 2022 | | | |
| Class | Fiscal 2021 | Fiscal 2022 | Percent Change |
| 1 | 14.2228 | 14.7206 | + 3.5 |
| 2 | 37.8149 | 39.2894 | + 3.9 |
| 3 | 6.5586 | 7.1806 | + 9.5 |
| 4 | 41.4037 | 38.8094 | - 6.3 |
| Total | 100.0000 | 100.0000 |  |

The tax rates resulting from the use of class shares, or adjusted base proportions, shown above for Fiscal 2022 are compared to the Fiscal 2021 tax rates in the following table.

|  |  |  |  |
| --- | --- | --- | --- |
| Comparison of Tax Rates for Fiscal 2021 and Fiscal 2022  (Per $100 Assessed Value) | | | |
| Class | Fiscal 2021 | Fiscal 2022 | Percent Change |
| 1 | $21.045 | $19.963 | - 5.1 |
| 2 | 12.267 | 12.235 | - 0.3 |
| 3 | 12.826 | 12.289 | - 4.2 |
| 4 | 10.694 | 10.755 | + 0.6 |