



Legislation Text

File #: Res 0941-2003, Version: *

Preconsidered Res. No. 941

Resolution to establish that the interest rate to be charged for non-payment of taxes on real property where the annual tax on the parcel, other than a parcel that consists of vacant or unimproved land, is not more than \$2,750, be 18% per annum for Fiscal Year 2003 in the case of any such parcel where the real property taxes are held in escrow and paid to the Commissioner of Finance by a mortgage escrow agent; and 9% per annum in the case of all other such parcels.

By Council Members Weprin, Comrie and Stewart

Whereas, Local Law No. 47 of 1990 requires the Banking Commission to transmit a written recommendation to the City Council of proposed interest rates to be charged for non-payment of taxes on real property in those cases in which the annual tax on a parcel, other than a parcel which consists of vacant or unimproved land, is not more than two thousand seven hundred fifty dollars (\$2,750); and

Whereas, In the case of any such parcel where the real property taxes are held in escrow and paid to the Commissioner of Finance by a "mortgage escrow agent," as that term is defined in section fifteen hundred nineteen of the City Charter, the proposed interest rate shall be at least six percent per annum greater than the prevailing interest rate charged for commercial loans extended to prime borrowers by commercial banks operating in the City (the "Prime Rate"); and

Whereas, In the case of all other such parcels, the proposed interest rate shall be at least equal to such Prime Rate; and

Whereas, The Banking Commission notes that the Prime Rate is currently 4.25%; and

Whereas, The Banking Commission recommends to the City Council that the interest rate to be charged for non-payment of taxes on real estate where the annual tax on the parcel, other than a parcel that consists of vacant or unimproved land, is not more than \$2,750, be 18% per annum for Fiscal Year 2004 in the case of any such parcel where the real property taxes are held in escrow and paid to the Commissioner of Finance by a mortgage escrow agent; and

Whereas, The Banking Commission recommends to the City Council that the interest rate to be charged for non-payment of taxes on real estate where the annual tax on the parcel, other than a parcel that consists of vacant or unimproved land, is not more than \$2,750, be nine percent per annum for Fiscal Year 2004 in the case of all other such parcels; now, therefore, be it

Resolved, That the City Council determines that the interest rate to be charged for non-payment of taxes on real property where the annual tax on the parcel, other than a parcel that consists of vacant or unimproved land, is not more than \$2,750, be 18% per annum for Fiscal Year 2004 in the case of any such parcel where the real property taxes are held in escrow and paid to the Commissioner of Finance by a mortgage escrow agent; and, be it further

Resolved, That the Council determines that the interest rate to be charged for non-payment of taxes on real property where the annual tax on the parcel, other than a parcel that consists of vacant or unimproved land, is not more than \$2,750, be 9% per annum for Fiscal Year 2004 in the case of all other parcels; and, be it further

Resolved, That this resolution shall take effect immediately and shall be deemed to have been in effect as of July 1, 2003.

jc:ag
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