



Legislation Text

File #: Res 0739-2015, **Version:** *

Preconsidered Res. No. 739

Resolution to establish that the interest rate to be charged for Fiscal Year 2016 for non-payment of water rents and sewer rents be 18 percent per annum for real property with an assessed value of over \$250,000, or over \$250,000 per residential unit for cooperative apartments

By Council Member Ferreras-Copeland

Whereas, Pursuant to sections 11-312(c) and 11-313(e) of the Administrative Code of the City of New York, the Banking Commission is required to recommend to the City Council, not later than the 13th day of May of each year, the proposed interest rate to be charged for non-payment of water rents and sewer rents; and Whereas, Sections 11-312 and 11-313 of the Administrative Code of the City of New York allow the Council to adopt interest rates to be charged for non-payment of water rents and sewer rents that become due and payable on or after July 1, 2005 pursuant to section 11-224.1 of the Administrative Code of the City of New York; and

Whereas, Section 11-224.1 of the Administrative Code of the City of New York requires the Banking Commission to propose a rate at least 6 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"), to be charged for non-payment of taxes on properties with an assessed value of more than \$250,000, or more than \$250,000 per residential unit for cooperative apartments; and

Whereas, The Banking Commission notes that as of May 12, 2015, the Prime Rate stands at three and one-quarter percent as published by the Board of Governors of the Federal Reserve System; and

Whereas, The Banking Commission forwarded its recommendation to the Council, by letter dated May 13, 2015, that the interest rate to be charged for non-payment of water rents and sewer rents be 18 percent per

annum for Fiscal Year 2016 where the assessed value of the property is more than \$250,000, or more than \$250,000 per residential unit for cooperative apartments; now, therefore, be it

Resolved, That the Council of the City of New York establishes that the interest rate to be charged for Fiscal Year 2016 for non-payment of water rents and sewer rents be 18 percent per annum for real property with an assessed value of over \$250,000, or over \$250,000 per residential unit for cooperative apartments.

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