



Legislation Text

File #: Res 1217-2005, **Version:** *

Res. No. 1217

Resolution calling upon Governor George Pataki, the New York State Assembly and the New York State Senate to grant New York City the authority to provide a property tax abatement for homeowners 65 years of age or older with annual household incomes of less than \$32,400 that would offset the recent property tax rate increase of 18.49 percent.

By Council Members Gentile, Barron, Fidler, Gennaro, Gerson, Jennings, Liu, McMahon, Nelson, Palma, Recchia Jr., Sanders Jr., Vann, Weprin, Lanza and Oddo

Whereas, According to “Annual Report on the NYC Real Property Tax, Fiscal Year 2005,” produced by the City of New York Department of Finance (“Department of Finance”) the market value of all one, two and three family homes have more than doubled since New York City Fiscal Year 1999; and

Whereas, According to “Tentative Real Property Tax Assessment Roll, January 15, 2005,” also produced by the Department of Finance, such market value is expected to rise by an additional 15 percent in Fiscal Year 2006; and

Whereas, Many senior citizens have seen the value of their properties rise considerably in recent years; and

Whereas, Incomes have not always kept pace with rising home values, particularly for those living on fixed incomes; and

Whereas, According to the New York City Housing Vacancy Survey (“Housing Vacancy Survey”), the average market value of homes owned by seniors 65 years of age or older with household incomes less than \$32,000 is approximately \$340,000 for a one, two or three family home and nearly \$210,000 for most condominiums or cooperative apartments; and

Whereas, Property taxes for homeowners after the November, 2002, 18.49 percent tax hike, increased

by more than \$400 on average; and

Whereas, According to the Housing Vacancy Survey, almost 130,000 homeowners over the age of 65 qualify for tax relief under existing government programs such as the Senior Citizens Homeowner Exemption (“SCHE”) and the enhanced School Tax Relief exemption (“STAR”) programs; and

Whereas, Current participation in the SCHE program is only around 25 percent of eligible seniors, according to the Housing Vacancy Survey, suggesting that existing forms of tax relief are not reaching all senior homeowners; and

Whereas, A property tax abatement for certain middle and low income seniors-homeowners 65 years of age or older with incomes below \$32,400-that would essentially return the 18.49 percent increase of November 2002, would provide broad relief for all seniors caught in the trap of low fixed incomes and rising assessments; and

Whereas, After accounting for available exemptions and abatements and growth in market and assessed values, a senior owner of a typical one, two or three family home or most condominium or cooperative apartment would save an estimated additional \$260 on taxes in Fiscal Year 2005 if such a property tax abatement were made available to senior homeowners; and

Whereas, While full participation in the abatement by eligible seniors would cost New York City approximately \$34 million in Fiscal Year 2006, at the current rate of participation in the SCHE program, the cost of such an abatement would be approximately \$8.6 million; and

Whereas, Such proposed abatement could be withheld in those years in which the City of New York authorizes a property tax rebate for all homeowners, so that redundancies in government relief efforts are avoided; now, therefore, be it

Resolved, That the Council of the City of New York calls upon Governor George Pataki, the New York State Assembly and the New York State Senate to grant New York City the authority to provide a property tax abatement for homeowners 65 years of age or older with annual household incomes of less than \$32,400 that

would offset the recent property tax rate increase of 18.49 percent.

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