



## Legislation Details (With Text)

<b>File #:</b>	Res 0097-2018	<b>Version:</b>	*	<b>Name:</b>	Allow NYC to tax vacant residential property at commercial rates.
<b>Type:</b>	Resolution	<b>Status:</b>		<b>In control:</b>	Filed (End of Session) Committee on Finance
<b>On agenda:</b>	1/31/2018				
<b>Enactment date:</b>		<b>Enactment #:</b>			
<b>Title:</b>	Resolution calling upon the New York State Legislature to introduce and pass, and the Governor to sign, legislation that would allow New York City to tax vacant residential property at commercial rates				
<b>Sponsors:</b>					
<b>Indexes:</b>					
<b>Attachments:</b>	1. Res. No. 97, 2. January 31, 2018 - Stated Meeting Agenda, 3. Hearing Transcript - Stated Meeting 01-31-2018, 4. Minutes of the Stated Meeting - January 31, 2018				

Date	Ver.	Action By	Action	Result
1/31/2018	*	City Council	Introduced by Council	
1/31/2018	*	City Council	Referred to Comm by Council	
12/31/2021	*	City Council	Filed (End of Session)	

### Res. No. 97

Resolution calling upon the New York State Legislature to introduce and pass, and the Governor to sign, legislation that would allow New York City to tax vacant residential property at commercial rates

By Council Member Rodriguez

Whereas, Under section 1802 of New York State's Real Property Tax Law, (1) all vacant property zoned as residential located outside the borough of Manhattan, and (2) all commercially zoned vacant property outside the borough of Manhattan that is situated immediately adjacent to property with a residential structure, has the same owner as the adjacent residential property, and has an area of no more than 10,000 square feet, is currently taxed as Class 1 residential property; and

Whereas, All other vacant property is taxed as Class 4 commercial property; and

Whereas, New York University's Furman Center defines a vacant property as an apartment unit, a building, or land that is not being used or occupied before development takes place; and

Whereas, According to the Department of Finance, in Fiscal 2018, there are 15,273 Class 1 vacant

properties; and

Whereas, New York City features an expensive real estate market and a shortage of affordable housing, so the opportunity cost that vacant properties represent is extremely high because such properties could be used or developed for other purposes; and

Whereas, Levying higher property taxes on vacant properties is a method of encouraging development on such sites; and

Whereas, Class 1 properties enjoy preferential tax treatment as compared to Class 4 properties inasmuch as Class 1 property is assessed at no more than six percent of market value with assessed value growth capped at six percent per year or 20 percent over five years; and

Whereas, In contrast, Class 4 properties are assessed at no more than 45 percent of market value without any caps on assessed value growth; and

Whereas, According to data published by the Department of Finance, the effective tax rate in Fiscal 2017, which is equal to the tax paid on a property divided by the market value of that property, for Class 1 properties was 0.77%, lower than the 3.87% rate paid by Class 4 properties; and

Whereas, Taxing Class 1 vacant residential property as Class 4 commercial property would increase the taxes levied on such property; and

Whereas, the Independent Budget Office estimated in December 2015, that if vacant Class 1 property of a certain size not owned by a government entity were taxed as commercial properties, then the amount of additional property taxes paid on these properties would ultimately be as high as \$125.1 million dollars per year; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the New York State Legislature to introduce and pass, and the Governor to sign, legislation that will allow New York City to tax vacant residential properties at commercial rates.

DW/RKC

LS # 3788  
01/09/2018