



## Legislation Details (With Text)

**File #:** Res 0667-2003      **Version:** \*      **Name:** The inequity of the disparate treatment under the State Real Property Tax Law.  
**Type:** Resolution      **Status:** Filed  
**In control:** Committee on Finance

**On agenda:** 1/29/2003

**Enactment date:**      **Enactment #:**

**Title:** Resolution calling upon the appropriate committee of the City Council to conduct hearings on the inequity of the disparate treatment under the State Real Property Tax Law between residences which are one-, two- or three-family homes and therefore given the preferential property tax treatment afforded to class one properties, and those which are residences owned in the cooperative or condominium form and are afforded less favorable treatment.

**Sponsors:** Helen Sears, Joseph P. Addabbo, Jr., Yvette D. Clarke, Simcha Felder, G. Oliver Koppell, Hiram Monserrate, Michael C. Nelson, Kendall Stewart, Robert Jackson, Christine C. Quinn

**Indexes:**

**Attachments:**

Date	Ver.	Action By	Action	Result
1/29/2003	*	City Council	Introduced by Council	
1/29/2003	*	City Council	Referred to Comm by Council	
12/31/2003	*	City Council	Filed (End of Session)	

Res. No. 667

Resolution calling upon the appropriate committee of the City Council to conduct hearings on the inequity of the disparate treatment under the State Real Property Tax Law between residences which are one-, two- or three-family homes and therefore given the preferential property tax treatment afforded to class one properties, and those which are residences owned in the cooperative or condominium form and are afforded less favorable treatment.

By Council Members Sears, Addabbo, Clarke, Felder, Koppell, Monserrate, Nelson, Stewart, Jackson, and Quinn

Whereas, Currently, the State Real Property Tax Law (RPTL) provides that property in the City be divided into classes for purposes of real estate taxation, as follows: class one, which includes one-, two- and three-family homes; class two which includes multiple dwelling apartment buildings including cooperative and condominium apartments; class three which includes utility property and class four which includes all other commercial property; and

Whereas, The class to which properties belong determines the share of the real property tax levy which those properties will collectively bear, with class one properties bearing a significantly lower burden of the share of the total real property tax levy than any other of the classes of property; and

Whereas, Historically, class one properties are assessed at approximately 8% of their fair market value for purposes of taxation while the other classes of properties are assessed at significantly higher percentages of their fair market value - with non-class one residential properties, including cooperative apartments and condominiums which are owner occupied homes just as are class one homes, assessed at approximately twice the rate of their class one counterparts; and

Whereas, Recognizing the inequity inherent in this Class system, in 1996 the State legislature, at the urging of the City Council and the Administration, adopted Section 467-a of the RPTL, allowing owners of cooperative apartments and condominiums to apply for and receive a partial real property tax abatement of 17.5% for those apartments with assessed valuations of over \$15,000; and

Whereas, The original state legislation adopting the coop/condo property tax abatement required that no later than December 31, 1999, the City was to submit to the legislature its recommendations to "address the disparity in real property taxation between residential real property in class one and residential real property in class two held in the cooperative or condominium form of ownership"; and

Whereas, The Department of Finance's submission pursuant to this requirement merely recognized that the inequities continued, but failed to offer any recommendations for reform; and

Whereas, Because it was believed that despite the coop/condo partial abatement contained in section 467-a of the RPTL, inequities still existed between the treatment of class one homes and class two residences held in the cooperative or condominium form of ownership, and because

the prior Administration failed to come forward with recommendations to ameliorate these inequities, the Council in 2000 recommended a deepening of the current coop/condo abatement contained in RPTL section 467-a, which deepening was never enacted; and Whereas, Additional remedial steps, either in the form of a deeper abatement, or a change in the class structure so that residences owned in the cooperative or condominium form of ownership are taxed in the same manner as class one residences, are necessary to bring equity to the treatment of all residential homeowners; now, therefore, be it Resolved, That the appropriate committee of the City Council conduct hearings on the inequity of the disparate treatment under the State Real Property Tax Law between residences which are one-, two- or three-family homes and therefore given the preferential property tax treatment afforded to class one properties, and those which are residences owned in the cooperative or condominium form and are afforded less favorable treatment.