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Title: RESOLUTION TO PROVIDE THE AMOUNTS NECESSARY FOR THE SUPPORT OF THE GOVERNMENT OF THE CITY OF NEW YORK AND THE COUNTIES THEREIN AND FOR THE PAYMENT OF INDEBTEDNESS THEREOF, FOR THE FISCAL YEAR BEGINNING ON JULY 1, 2004 AND ENDING ON JUNE 30, 2005, BY THE LEVY OF TAXES ON THE REAL PROPERTY IN THE CITY OF NEW YORK, IN ACCORDANCE WITH THE PROVISIONS OF THE CONSTITUTION OF THE STATE OF NEW YORK, THE REAL PROPERTY TAX LAW AND THE CHARTER OF THE CITY OF NEW YORK.

Sponsors:

Indexes:

Attachments: 1. Committee Report, 2. Hearing Transcript - Stated Meeting 6/24, 3. Hearing Transcript

Date	Ver.	Action By	Action	Result
6/24/2004	*	Committee on Finance	Hearing on P-C Item by Comm	
6/24/2004	*	Committee on Finance	P-C Item Approved by Comm	Pass
6/24/2004	*	City Council	Introduced by Council	
6/24/2004	*	City Council	Approved, by Council	Pass

Res. No. 436

By Council Member Weprin

RESOLUTION TO PROVIDE THE AMOUNTS NECESSARY FOR THE SUPPORT OF THE GOVERNMENT OF THE CITY OF NEW YORK AND THE COUNTIES THEREIN AND FOR THE PAYMENT OF INDEBTEDNESS THEREOF, FOR THE FISCAL YEAR BEGINNING ON JULY 1, 2004 AND ENDING ON JUNE 30, 2005, BY THE LEVY OF TAXES ON THE REAL PROPERTY IN THE CITY OF NEW YORK, IN ACCORDANCE WITH THE PROVISIONS OF THE CONSTITUTION OF THE STATE OF NEW YORK, THE REAL PROPERTY TAX LAW AND THE CHARTER OF THE CITY OF NEW YORK.

Whereas, on April 26, 2004, pursuant to the Section 249 of the Charter of the City of New York ("the Charter"), the Mayor of the City of New York (the "Mayor") submitted to the Council of the City of New York (the "Council"), the executive budget for the support of the government of the City of New York and the counties therein (collectively, the "City") for the fiscal year beginning on July 1, 2004 and ending on June 30, 2005 ("Fiscal 2005"); and

Whereas, on May 25, 2004, pursuant to Section 1514 of the Charter, the Commissioner of the Department of Finance (the "Commissioner") delivered to the Council, the certified assessment rolls for all real property assessable for taxation in the City in each borough thereof for Fiscal 2005, a certified copy of which is in the Office of the Clerk of the City pursuant to Section 516, Real Property Tax Law (the "Fiscal 2005 Assessment Rolls"); and

Whereas, on June 24, 2004, the Council adopted a resolution in which the Council computed and certified the current base proportion, the current percentage

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and the base percentage of each class of real property in the City for Fiscal 2005 pursuant to Section 1803-a(1), Real Property Tax Law (the "Current Base Proportion Resolution"); and

Whereas, on June 24, 2004, pursuant to Section 1803-a, Real Property Tax Law, the Council adopted a resolution in which the Council adjusted the current base proportion of each class of real property in the City for Fiscal 2005, to reflect the additions to, and full or partial removal from, the Fiscal 2005 Assessment Rolls (the "Adjusted Base Proportion Resolution"); and

Whereas, on June 24, 2004, pursuant to Section 254 of the Charter, the Council adopted the budget for the support of the government of the City and for the payment of indebtedness thereof for Fiscal 2005 (the "Fiscal 2005 Budget"); and

Whereas, on June 24, 2004, pursuant to Section 1515(a) of the Charter, the Mayor prepared and submitted to the Council, a statement setting forth the amount of the Fiscal 2005 Budget as approved by the Council (the "Fiscal 2005 Budget Statement") and an estimate of the probable amount of receipts into the City treasury during Fiscal 2005 from all the sources of revenue of the general fund and all receipts other than those of the general fund and taxes on real property, a copy of which is attached hereto as Exhibit A (the "Fiscal 2005 Revenue Estimate");

NOW, THEREFORE, be it resolved by The Council of The City of New York as follows:

Section 1. Fixing of Real Property Tax Rates for Fiscal 2005.

a. Determining the Amount of the Real Property Tax Levy.

(i) The total amount of the Fiscal 2005 Budget as set forth in the Fiscal 2005 Budget Statement is $47,209,537,582.

(ii) The estimate of the probable amount of receipts into the City treasury during Fiscal 2005 from all the sources of revenue of the general fund and all receipts other than those of the general fund and taxes on real property as set forth in the Fiscal 2005 Revenue Estimate is $35,659,857,582.

(iii) Pursuant to Section 1516 of the Charter, the Council hereby determines that the amount required to be raised by tax on real property shall be $11,549,680,000, which is derived from deducting the amount set forth in the Fiscal 2005 Revenue Estimate from the amount of the Fiscal 2005 Budget.

(iv) In order to achieve a real property tax yield of $11,549,680,000 due to provision for uncollectible taxes and refunds and collection of levies from prior years, the Council hereby determines that a real property tax levy of $12,720,048,530 will be required, calculated as follows:

Not Subject to the 2 1/2 Percent Tax Limitation:		
For Debt Service:		
Funded Debt	$2,256,911,388	
Amount Required for Debt Service and Financing as:		
Provision for Uncollectible		
Taxes	$239,698,159	
Provision for Refunds	$37,909,345	
Collection of Prior Years'		
Levies	($48,906,964)	$2,485,611,928
Subject to the 2 1/2 Percent Tax Limitation:		
For Debt Service:		
Temporary Debt		
Interest on Temporary Debt	$39,714,658	
For General Operating Expenses:		
Funds Required	$9,253,053,954	
Amount Required for Debt Service and Operating Expenses as:		
Provision for Uncollectible		
Taxes	$986,950,371	
Provision for Refunds	$156,090,655	
Collection of Prior Years'		
Levies	($201,373,036)	10,234,436,602
TOTAL REAL PROPERTY TAX LEVY	$12,720,048,530	

The Council hereby determines that such amount, levied at such rates on the classes of real property pursuant to paragraph (iv) of subsection b below will produce a balanced budget within generally accepted accounting principles for municipalities.

(v) The real property tax levy, net of provision for uncollectible taxes and refunds and the collection of levies from prior years, determined pursuant to clause (iv) above shall be applied as follows:

(A) For payment of debt service not subject to the 2 1/2 percent tax

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limitation: $2,256,911,388

(B) For debt service on short-term debt subject to the 2 1/2 percent tax limitation: $39,714,658

(C) To provide for conducting the public business of the City and to pay the appropriated expenditures for the counties therein as set forth in the Fiscal 2005 Budget in excess of the amount of revenues estimated in the Fiscal 2005 Revenue Estimate: $9,253,053,954

b. Authorizing and Fixing the Real Property Tax Rates.

(i) Assessed Valuation Calculations of Taxable Real Property in the City. The Fiscal 2005 Assessment Rolls set forth the following valuations by class within each borough of the City.

(A) The assessed valuation by class of real property for the purpose of taxation in each borough of the City, exclusive of the assessed valuation of veterans' real property exempt under state law from tax for general purposes but subject to tax for school purposes is set forth below:

Assessment by Class of Property Subject to Taxation for All Purposes					
Borough	All One, Two and Thr	All Other Residentia	Utility Real Property	All Other Real Prop	Assessment of Proper
Manhattan	$486,544,224	$24,300,612,626	$2,795,343,0	$35,733,861,592	$63,316,361,509
The Bronx	1,024,505,447	2,388,521,740	775,349,053	1,780,484,696	5,968,860,936
Brooklyn	3,663,002,054	4,591,790,247	1,525,611,414	3,782,511,664	13,562,915,379
Queens	5,243,801,247	4,757,832,403	1,878,870,895	5,146,563,220	17,027,067,765

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Staten Island	1,870,419,938	218,326,259	513,504,067	937,543,736	3,539,794,000
TOTAL	$12,288,272,910	$36,257,083,275	$7,488,678,496	$47,380,964,908	$103,414,999,589

(B) The assessed valuation by class of veterans' real property exempt under state law from tax for general purposes but subject to tax for school purposes in each borough of the City is set forth below:

Assessment by Class of Veterans' Property Exempted Under State Law from Tax for General Purposes but Subject to Tax for Scho					
Borough	All One, Two and T	All Other Resident	Utility Real Proper	All Other Real Pro	Total Assessment of Ve
Manhattan	$665,268	$61,655,625	$0	$5,000	$62,325,893
The Bronx	12,056,216	3,135,433	0	9,545	15,201,194
Brooklyn	37,106,131	6,184,431	0	54,279	43,344,841 101,573,28

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Queens	71,936,149	29,610,861	0	26,276	101,573,286
Staten Island	38,782,030	736,104	0	8,674	39,526,808
TOTAL	$160,545,794	$101,322,454	$0	$103,774	$261,972,022

*Includes condominiums of three stories or fewer which have always been condominiums.

(ii) Chapter 389 of the Laws of 1997 established a new real property tax exemption providing school tax relief (Section 425, Real Property Tax Law). Pursuant to subdivision 8 of Section 425, the assessment by tax class of property subject to taxation for all purposes and the assessment by tax class of veterans' real property exempt under state law from tax for general purposes but subject to tax for school purposes has been increased by the amounts shown below for purposes of: (a) determining the City's tax and debt limits pursuant to law; (b) determining the amount of taxes to be levied; (c) calculating tax rates by tax class; and (d) apportioning taxes among classes in a special assessing unit under Article 18, Real Property Tax Law.

(A) The assessed valuation by class of real property for the purpose of taxation in each borough of the City exempted under Section 425, Real Property Tax Law, exclusive of the assessed valuation of veterans' real property exempt under state law from tax for general purposes but subject to tax for school purposes is set forth below:

Assessment by Class of Property Exempted under Section 425, Real Property Tax Law, for All Purposes				
Borough	All One, Two and T	All Other Resident	All Other Real Pr	Exempted Under S
Manhattan	$4,931,535	$154,305,634	$64,360	$159,3
The Bronx	67,930,500	18,242,978	22,990	86,196,468
Brooklyn	219,231,765	39,650,905	67,000	258,949,670

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Queens	324,438,355	91,089,679	95,184	415,623,218
Staten Island	124,608,931	2,959,1	27,686	127,595,893
TOTAL	$741,141,086	$306,248,472	$277,220	$1,047,666,778

(B) The assessed valuation by class of veterans' real property exempt under state law from tax for general purposes and exempt under Section 425, Real Property Tax Law, for school purposes in each borough of the city is set forth below:

Assessment by Class of Veterans' Property Exempted under Section 425, Real Prope			
Borough	All One, Two and T	All Other Resident	Total Assessment of
Manhattan	$1,500	$1,076 `	$2,57
The Bronx	13,241	4,418	17,65
Brooklyn	23,252	5,526	28,77

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Queens	8,362	4,453	22,81
Staten Island	9,648	0	9,64
TOTAL	$66,003	$15,473	$81,47

*Includes condominiums of three stories or fewer which have always been condominiums.
** Only residential real property held in the cooperative or condominium form of ownership qualifies for the real property tax exemption providing school tax relief.

(iii) Operating Limit Provisions. The Council hereby determines that the amount to be raised by tax on real property for the Fiscal 2005 Budget pursuant to clause (iii) of subsection (a) of Section 1 hereof does not exceed the limit imposed by Section 10, Article VIII of the Constitution of the State of New York, as amended, and Article 12-A, Real Property Tax Law (the "Operating Limit Provisions").*

(A) The Operating Limit Provisions require that the City not raise an amount by tax on real property in any fiscal year in excess of an amount equal to a combined total of two and one-half percent (2 1/2 %) of the average full valuation of taxable real property, less (i) the amount to be raised by tax on real property in such year for the payment of the interest on and the redemption of certificates or other evidence of indebtedness described therein and (ii) the aggregate amount of district charges, exclusive of debt service, imposed in such year by business improvement districts pursuant to Article 19-A, General Municipal Law.

(B) The Operating Limit Provisions require that average full valuations of taxable real property be determined by taking the assessed valuations of taxable real property on the last completed assessment roll and the four (4) preceding assessment rolls of the City and applying thereto the special equalization ratios which such assessed valuations of each such roll bear to the full valuations as fixed and determined by the State Office of Real Property Services ("ORPS") pursuant to Section 1251, Real Property Tax Law, as shown below:

Fiscal Year	Assessed Valuations	Assessment Percentage	Full Valuations
2001.....	84,319,741,571	0.2340	$360,340,775,944
...			
2002.....	89,539,563,218	0.2283	392,201,328,156
...			
2003.....	94,506,250,871	0.2230	423,794,846,955
...			
2004.....	99,854,097,559	0.2161	462,073,565,752
...			
2005.....	103,676,971,611	0.2004	517,350,157,740
...			
		AVERAGE	*$431,152,134,909*
2 1/2 percent thereof for Fiscal 2005			$10,778,803,373
Less debt service subject to the 2 1/2 percent tax limitation:			
Temporary debt			
Interest on temporary debt.....			($39,714,658)

Less aggregate amount of district charges subject to the 2 1/2 percent tax limitation.....	($63,272,628)
Constitutional amount subject to the limitation which may be raised for other than debt service in accordance with the provisions of Section 10, Article VIII, of the State Constitution.....	$10,675,816,087

* The amount to be raised by tax on real property for purposes of the Operating Limit determination is equal to the real property tax levy as reduced by the net reductions in amounts collected as authorized by New York State law.

(iv) Adjusted Base Proportions. Pursuant to the Adjusted Base Proportion Resolution, the Council certified the following adjusted base proportions to be used in determining the Fiscal 2005 tax rates for the four classes of properties:

All One-. Two- and Three-Family Residential Real Property*.....	14.6854
All Other Residential Real Property.....	34.8724
Utility Real Property.....	7.3902
All Other Real Property.....	43.0520
Total.....	100.0000

*Includes condominiums of three stories or fewer which have always been condominiums.

(v) Tax Rates on Adjusted Base Proportions.

(A) Pursuant to Section 1516 of the Charter, the Council hereby authorizes and fixes the rates of tax for Fiscal 2005 (1) by class upon each dollar of assessed valuation of real property subject to taxation for all purposes of, and within, the City, as fixed in cents and thousandths of a cent per dollar of assessed valuation, as follows:

	All One, Two and Three Family Residential Real Property*	All Other Residential Real Property	Utility Real Property	All Other Real Property
Subject to the 2 1/2 percent tax limitation as authorized by Article VIII, Section 10, of the State Constitution including a reserve for uncollectible taxes.....	0.12131	0.09826	0.10100	0.09299
Not subject to the 2 1/2 percent tax limitation as authorized by Article VIII, Sections 10 and 11 of the State Constitution including a reserve for uncollectible taxes.....	0.02963	0.02390	0.02453	0.02259
Decimal rate on adjusted proportion for all purposes.....	0.15094	0.12216	0.12553	0.11558

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*Includes condominiums of three stories or fewer which have always been condominiums.
and (2) by class upon each dollar of assessed valuation of veterans' real property exempt under state law from tax for general purposes but subject to tax for school purposes of, and within, the City, as fixed in cents and thousandths of a cent per dollar of assessed valuation, as follows:

*Includes condominiums of three stories or fewer which have always been condominiums.

Section 2. Authorization of the Levy of Real Property Taxes for Fiscal 2005.

a. Pursuant to Section 1517 of the Charter, the Council hereby authorizes and directs the Commissioner to (i) set down in the Fiscal 2005 Assessment Rolls, opposite to the several sums set down as the valuation of real property, the respective sums, in dollars and cents, to be paid as a tax thereon, rejecting the fractions of a cent and add and set down the aggregate valuations of real property in the boroughs of the City and (ii) send a certificate of such aggregate valuation in each such borough to the Comptroller of the State.

b. Pursuant to Section 1518 of the Charter, immediately upon the completion of the Fiscal 2005 Assessment Rolls, the City Clerk shall procure the proper warrants in the form attached hereto as Exhibit B to be signed by the Public Advocate of the City ("Public Advocate") and counter-signed by the City Clerk authorizing and requiring the Commissioner to collect the several sums therein mentioned according to law and immediately thereafter the Fiscal 2005 Assessment Rolls of each borough shall be delivered by the Public Advocate to the Commissioner with proper warrants, so signed and counter-signed, annexed thereto.

Section 3. Effective Date. This resolution shall take effect as of the date hereof.

	All One, Two and Three Family Residential Real Property*	All Other Residential Real Property	Utility Real Property	All Other Real Property
Subject to the 2 1/2 percent tax limitation as authorized by Article VIII, Section 10, of the State Constitution including a reserve for uncollectible taxes.....	0.07661	0.06229	0.00000	0.05901
Not subject to the 2 1/2 percent tax limitation as authorized by Article VIII, Sections 10 and 11 of the State Constitution including a reserve for uncollectible taxes.....	0.00564	0.00458	0.00000	0.00434
Decimal rate on adjusted proportion for all veterans' property exempted under state law from tax for general purposes but subject to tax for school purposes.....	0.08225	0.06687	0.00000	0.06335

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