



Legislation Text

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Res. No. 118

Resolution calling upon the New York State Legislature to pass, and the Governor to sign S.5320/A.354-A, legislation which would establish a new property tax classification for properties held in condominium and cooperative form.

By Council Member Vallone

Whereas, Property taxes are the City's largest revenue source; and

Whereas, According to the Comptroller's Comprehensive Annual Financial Report, the property tax represented 45 percent of all the City tax dollars collected in fiscal year 2017; and

Whereas, Currently, pursuant to section 1802 of the State Real Property Tax Law, there are four different property tax classes in the City, with each paying a different share of property taxes; and

Whereas, Class 1 consists of one- to three-unit residential properties; Class 2 consists of residential properties with more than 3 units, including cooperatives and condominiums; Class 3 consists of utility company equipment and special franchise properties; and Class 4 consists of all other real property, including commercial property, such as office buildings, factories, stores, hotels, and lofts; and

Whereas, In the City, over half a million families reside in Class 2 cooperatives or condominiums; and

Whereas, Property taxes are assessed differently for cooperatives and condominiums with 10 units or fewer and cooperatives and condominiums with 11 units or more; and

Whereas, Assessment caps limit the annual increase in the assessed value of a property, thereby limiting the amount an individual property owner's property tax bill may increase in any given year; and

Whereas, State law paces a cap on the amount the assessed value of Class 1 properties may increase

each year, specifically that the assessed value cannot increase more than six percent in any one year or 20 percent in any five years; and

Whereas, State law also places a cap on the amount the assessed value of Class 2 cooperatives and condominiums with 10 units or fewer may increase each year, specifically that the assessed value cannot increase more than eight percent in any one year or 30 percent in any five years; and

Whereas, While State law allows Class 2 cooperatives and condominiums with 11 units or more to have changes in their assessed value phased in over a five-year period, they do not enjoy a fixed assessment cap like smaller Class 2 cooperatives and condominiums; and

Whereas, This means that families residing in larger Class 2 cooperatives and condominiums have less protections from large increases in market values than do families residing in smaller Class 2 cooperatives and condominiums and families residing in Class 1 one- to three-unit residential properties; and

Whereas, S.5320, sponsored by State Senator Toby Ann Stavisky, currently pending in the New York State Senate and A.354-A, sponsored by State Assembly Member Edward C. Braunstein, currently pending in the New York State Assembly, would establish a new property tax classification, Class 2, consisting solely of properties held in cooperative or condominium form; and

Whereas, Specifically, the legislation would amend the current property tax Class 2 to consist of only cooperatives or condominiums and add a new property tax Class 5 to consist of all residential property that is not classified as Class 1 or Class 2; and

Whereas, Further, the legislation would extend the assessment caps of eight percent in any one year and 30 percent in any five years to all Class 2 properties, including cooperatives and condominiums with 11 units or more; and

Whereas, The legislation would ensure that all cooperatives and condominiums are treated equally for property tax purposes and that larger cooperatives and condominiums do not see dramatic increases in their

property taxes in any given year; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the New York State Legislature to pass, and the Governor to sign S.5320/A.354-A, legislation which would establish a new property tax classification for properties held in condominium and cooperative form.

GP/RKC
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