



Legislation Text

File #: Res 0921-2005, **Version:** *

Res. No. 921

Resolution calling upon the State Legislature to introduce and adopt, and the Governor to sign, legislation which would extend the current limit on increases of assessments due to renovations to aid building owners of properties classified as class two which have fewer than eleven residential units who desire to renovate.

By Council Members Perkins, Jackson, James, Martinez, McMahon, Moskowitz, Nelson, Palma, Recchia Jr., Reed and Vann

Whereas, The State Real Property Tax Law (“RPTL”) requires properties in each class to be assessed at the same percentage of value, known as the assessment ratio; and

Whereas, The assessment ratio of Class 1 parcels, those residential properties containing 3 or fewer units, is 6 percent and the assessment ratio of Class 2 parcels is 45 percent; and

Whereas, RPTL §1805 contains a provision limiting increases on the assessed values of Class 1 parcels to no more than 6 percent over the previous year and to no more than 20 percent in a 5-year period and on Class 2 parcels which have fewer than eleven residential units to no more than 8 percent over the previous year and to no more than 30 percent in a 5-year period; and

Whereas, These limits do not apply to increases as a result of alterations or renovations of existing properties; and

Whereas, Taxpayers who renovate or add improvements to their homes resulting in the property’s classification changing from Class 1 to Class 2 can be subject to assessment ratio change from 6 to 45 percent on the value of the renovation; and

Whereas, Taxpayers who renovate or add improvements to their properties classified as Class 2 parcels with fewer than eleven residential units experience large increases in their assessments because the total value of the renovations is assessed at 45 percent;

Whereas, This increase takes place immediately and is not subject to the limits on assessment increases for Class 2 properties with fewer than eleven residential units; and

Whereas, This has led to a situation in which certain taxpayers have witnessed a 1,000 percent increase in their property taxes; and

Whereas, When coupled with the high cost of construction in New York City, many taxpayers will no longer be able to shoulder the cost of major renovations; and

Whereas, Many owners of small buildings will delay maintenance or renovations and allow properties to decay; and

Whereas, the City supports programs and policies that encourage rehabilitation of residential property to maintain adequate and affordable housing for its residents; and

Whereas, Legislation providing for limits on assessments attributable to such renovations would alleviate much of the tax burden and allow building owners to make necessary renovations; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the State Legislature to adopt and the Governor to sign legislation which would extend the current limit on increases of assessments for class two parcels which have fewer than eleven residential units to increases in assessments attributable to renovations of such properties, in order to aid building owners who desire to renovate.