



Legislation Text

File #: Res 0192-2022, **Version:** *

Res. No. 192

Resolution to establish that the interest rate be four percent per annum for Fiscal Year 2023 for non-payment of taxes on properties with an assessed value of not more than \$250,000, or not more than \$250,000 per residential unit for cooperative apartments.

By Council Members Ayala and Abreu

Whereas, Pursuant to Section 11-224.1 of the Administrative Code of the City of New York the Banking Commission is required to recommend to the City Council, not later than the 13th day of May of each year, the proposed interest rate to be charged for non-payment of taxes on properties with an assessed value of not more than \$250,000, or not more than \$250,000 per residential unit for cooperative apartments; and

Whereas, The Banking Commission is required to propose a rate at least equal to the prevailing interest rate charged for commercial loans extended to prime borrowers by commercial banks operating in the City (the “Prime Rate”); and

Whereas, The Banking Commission notes that as of May 12, 2021, the Prime Rate stands at four percent as published by the Board of Governors of the Federal Reserve System; and

Whereas, the Federal Reserve plans to raise interest rates multiple times this year, and has acted to scale back other pandemic-era economic supports, in order to strengthen its efforts to fight the highest inflation in 40 years. The Federal Reserve is expecting that a steady series of rate hikes will slash inflation and stabilize the economy, at a time when there is uncertainty in the global economy; and

Whereas, It is in the best interest of the City to encourage the prompt payment of taxes on real estate by all taxpayers; and

Whereas, The Banking Commission forwarded its recommendation to the Council, by letter dated May

13, 2022, that the interest rate to be charged for the non-payment of taxes on properties where the assessed value is not more than \$250,000, or not more than \$250,000 per residential unit for cooperative apartments, be six percent per annum for Fiscal Year 2023; now, therefore, be it

Resolved, That the Council of the City of New York establishes that the interest rate be four percent per annum for Fiscal Year 2023 for non-payment of taxes on properties with an assessed value of not more than \$250,000, or not more than \$250,000 per residential unit for cooperative apartments.

MMB
LS #9461
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