



**REPORT OF THE
COMMITTEE ON FINANCE**

**FINANCE DIVISION
PRESTON NIBLACK, DIRECTOR**

**RESOLUTION AMENDING AND RESTATING THE RESOLUTION
COMPUTING AND CERTIFYING ADJUSTED BASE
PROPORTION OF EACH CLASS OF REAL PROPERTY FOR
FISCAL 2012 TO THE STATE BOARD OF REAL PROPERTY TAX
SERVICES PURSUANT TO SECTION 1803-a OF THE REAL
PROPERTY TAX LAW**

Introduction. The above-captioned resolution completes the certification procedure required by Section 1803-a, Real Property Tax Law, to establish the class shares used in levying the real property taxes for the adopted Fiscal 2012 budget¹.

On June 29, 2011, the Council adopted a resolution computing and certifying the current base proportions for Fiscal 2012 (the "CBP Resolution"). After the adoption of the CBP Resolution, Section 1803-a, Real Property Tax Law, was amended to lower the percent of increase in the current base proportion as compared with the previous year's adjusted base proportion from 5.0 percent to 2.5 percent, which altered the calculations contained in the CBP Resolution. Pursuant to this amendment to state law, the Council adopted a resolution on November 3, 2011, restating the CBP Resolution. On June 29, 2011, the Council also adopted a resolution computing and certifying the adjusted base proportion of each class of real property for Fiscal 2012 (the "ABP Resolution"). The above-captioned resolution amends and restates the ABP Resolution to reflect the changes in the November 3, 2011 CBP Resolution.

The current base proportion for each class of real property takes into account the market value changes in the class occurring between the assessment roll for the base period, 1989, and the latest roll for which the State Board of Real Property Tax Services ("SBRPTS") has established class equalization rates, 2010. The CBP Resolution modified the class shares for the Fiscal 2012 property tax levy accordingly. The remaining step, to be taken in the above-captioned resolution, adjusts these current base proportions to take account of the various physical changes (such as demolitions, new construction, changes in exempt status and transfers among classes) that are reflected in the new final assessment roll. The computations called for in the SBRPTS procedure are designed to separate the effects of these physical changes from equalization changes made by local assessors.

¹ As hereinafter provided, references to the Fiscal 2012 Budget will be deemed to reference such budget as adopted on June 29, 2011. Such reference shall not include modifications of such budget during the Fiscal 2012 fiscal year.

Analysis. The calculations shown on the SBRPTS Form RP-6702 attached to the above-captioned resolution modify the share for each class to reflect physical changes. For Fiscal 2012, most property tax classes, save Class 3, show modest physical increases. The Fiscal 2012 adjusted base proportions for Classes 1 and 2 show modest declines of less than one percent from the Fiscal 2012 current base proportions, while Class 4 is marginally up by about a tenth of percent from the Fiscal 2012 current base proportions. Class 3 on the other hand saw relatively more of a change due to physical increases putting in its adjusted base percentage about 4 percent from the current base proportions.

However, the changes from the adjusted base proportions from Fiscal 2011 to Fiscal 2012, as reported in the table below, show increases for Classes 1 and 2, while Classes 3 and 4 see decreases.

Comparison of Class Shares for Fiscal 2011 and Fiscal 2012			
Class	Fiscal 2011	Fiscal 2012	Percent Change
1	15.0922	15.3852	+1.94
2	37.4175	37.8064	+1.04
3	7.6075	7.0338	-7.54
4	39.8828	39.7746	-0.27
Total	100.0000	100.0000	

The tax rates resulting from the use of class shares shown above for Fiscal 2012 are compared to the Fiscal 2011 tax rates in the following table.

Comparison of Tax Rates for Fiscal 2011 and Fiscal 2012 (Per \$100 Assessed Value)			
Class	Fiscal 2011	Fiscal 2012	\$ Difference
1	17.364	18.205	+0.841
2	13.353	13.433	+0.080
3	12.631	12.473	-0.158
4	10.312	10.152	-0.160

PRECONSIDERED

RESOLUTION NO. _____

By Council Member Recchia

**RESOLUTION AMENDING AND RESTATING THE RESOLUTION
COMPUTING AND CERTIFYING ADJUSTED BASE
PROPORTION OF EACH CLASS OF REAL PROPERTY FOR
FISCAL 2012 TO THE STATE BOARD OF REAL PROPERTY TAX
SERVICES PURSUANT TO SECTION 1803-a, REAL PROPERTY
TAX LAW**

Whereas, On May 27, 2011, pursuant to Section 1514 of the Charter of the City of New York, the Commissioner of the Department of Finance delivered to the Council the certified assessment rolls for all real property assessable for taxation in the City in each borough thereof for the fiscal year beginning on July 1, 2011 and ending on June 30, 2012 ("Fiscal 2012"), 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 2012 Assessment Rolls"); and

Whereas, Section 1803-a (5), Real Property Tax Law, requires the Council subsequent to the filing of the final Fiscal 2012 Assessment Rolls, to adjust current base proportions computed pursuant to the Current Base Proportion Resolution to reflect additions to and removals from the Fiscal 2012 Assessment Rolls as described therein (each such current base proportion so adjusted to be known as an "Adjusted Base Proportion"); and

Whereas, Within five (5) days upon determination of the Adjusted Base Proportions, Section 1803-a (6), Real Property Tax Law, requires the Council to certify, to the State Board of Real Property Tax Services ("SBRPTS"), the Adjusted Base Proportion for each class of real property applicable to the City, the assessed value of all property in each class of real property, the net change in assessed value for each class on the Fiscal 2012 Assessment Rolls resulting from the additions to or removals from the Fiscal 2012 Assessment Rolls as described above, and the net change in assessed value for each class on the Fiscal 2012 Assessment Rolls resulting from changes other than those referred to above; and

Whereas, On June 29, 2011, the Council adopted a resolution in which the Council computed and certified the current base proportion, the current percentage and the base percentage of each class of real property in the City for Fiscal 2012 pursuant to Section 1803-a (1), Real Property Tax Law (the "Current Base Proportion Resolution"); and

Whereas, After the June 29th adoption of the Current Base Proportion Resolution, Section 1803-a, Real Property Tax Law, was amended to lower the percent of increase in the current base proportion as compared with the previous year's adjusted base proportion to 2.5 percent; and

Whereas, Pursuant to the amendment to Section 1803-a, Real Property Tax Law, on November 3, 2011, the Council adopted a resolution computing and certifying the base percentage, current percentage and current base proportion of each class of real property for Fiscal 2012 to the SBRPTS pursuant to Section 1803-a, Real Property Tax Law;

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

Section 1. Computation and Certification of Adjusted Base Proportions and Related Information for Fiscal 2012. (a) The Council hereby computes and certifies the Adjusted Base Proportion for each class of real property applicable to the City, the assessed value of all property in each class of real property, the net change in assessed value for each class on the Fiscal 2012 Assessment Rolls resulting from the additions to or removals from the Fiscal 2012 Assessment Rolls as described in Section 1803-a (5), Real Property Tax Law, and the net change in assessed value for each class on the Fiscal 2012 Assessment Rolls resulting from changes other than those described in Section 1803-a (5), Real Property Tax Law, as shown on SBRPTS Form RP-6702, attached hereto as Exhibit A and incorporated herein by reference (the "ABP Certificate").

(b) The Clerk of the Council is hereby authorized and directed to execute the ABP Certificate and to file it with the SBRPTS no later than five (5) days after the date hereof.

Section 2. Effective Date. This resolution shall take effect immediately.

STATE BOARD OF REAL PROPERTY TAX SERVICES
 (Formerly State Board of Equalization and Assessment)
 16 Sheridan Avenue, Albany, NY 12210-2714

**Certificate of Adjusted Base Proportions Pursuant to Article 18, RPTL,
 for the 2011 Assessment Roll**

Special Assessing Unit _____
 Check One to Identify Portion: County _____; City _____; Town _____; Village _____; Town Outside Village Area _____; School District _____; Special District _____
 Name of Portion _____

Reference Roll _____ 2010 _____; Levy Roll _____ 2011 _____

SECTION I _____
 Determination of Portion Class Net Change in Assessed Value due to Physical and Quantity Changes,
 Equalization Changes and Computation of Class Change in Level of Assessment Factor

	(A)	(B)	(C)	(D)	(E)
Class	Total Assessed Value on the Reference Roll	Total Assessed Value of Physical and Quantity Increases Between Reference Roll and Levy Roll	Total Assessed Value of Physical and Quantity Decreases Between Reference Roll and Levy Roll	Net Assessed Value of Physical and Quantity Changes (B-C)	Surviving Total Assessed Value on the Reference Roll (A-C)
1	\$16,954,925,178	\$93,629,142	\$24,942,340	\$68,686,802	\$16,929,982,838
2	62,661,220,521	1,649,242,546	732,335,975	916,906,571	61,928,884,546
3	2,816,566,291	142,423,110	17,111,115	125,311,995	2,799,455,176
4	78,222,679,881	1,581,368,282	518,912,760	1,062,455,522	77,703,767,121

	(F)	(G)	(H)	(I)
Class	Total Assessed Value of Equalization Increases Between Reference Roll and Levy Roll	Total Assessed Value of Equalization Decreases Between Reference Roll and Levy Roll	Net Equalization Changes (F-G)	Change in Level of Assessment Factor (H/E)+1
1	\$490,605,565	\$177,451,231	\$313,154,334	1.018497
2	4,196,375,876	908,779,485	3,287,596,391	1.053087
3	6,308,599	81,199,265	(74,890,666)	0.973248
4	5,270,182,070	1,048,594,513	4,221,587,557	1.054329

EXHIBIT A

SECTION II

Computation of Portion Class Adjustment Factor

Class	(J) Taxable Assessed Value on the Levy Roll	(K) Taxable Assessed Value on Levy Roll at Reference Roll Level of Assessment (J/I)	(L) Assessed Value of Special Franchise on the Levy Roll at the Reference Roll Level of Assessment	(M) Total Taxable Assessed Value on Levy Roll at Reference Roll Level of Assessment (K+L)	(N) Taxable Assessed Value on the Reference Roll	(O) Class Adjustment Factor (M/N)
1	\$16,181,676.024	\$15,887,799,399	\$0	\$15,887,799,399	\$15,818,012,901	1.00441
2	54,183,694.610	51,452,249,064	0	51,452,249,064	51,264,624,052	1.00366
3	2,279,151,895	2,341,799,721	9,251,950,624	11,593,750,345	11,035,982,884	1.05054
4	75,551,656,459	71,658,520,689	0	71,658,520,689	70,870,684,220	1.01112

SECTION III

Computation of Adjusted Base Proportions

Class	(P) Current Base Proportions	(Q) Current Base Proportions Adjusted for Physical and Quantity Changes #1 (P*O)	(R) Adjusted Base Proportions (Q/SUM of Q)*100
1	15.4695	15.5377	15.3852
2	38.0418	38.1810	37.8064
3	6.7618	7.1035	7.0338
4	39.7269	40.1687	39.7746
Total	100.0000	100.9909	100.0000

I, the Clerk of the Legislative Body of the special assessing unit identified above, hereby certify that the legislative body determined on November 3, 2011 the adjusted base proportions and the data, procedures and computations used to determine the adjusted base proportions as set forth herein for the assessment roll and portion identified above.

Signature

Title

Date