



**REPORT OF THE
COMMITTEE ON FINANCE**

**FINANCE DIVISION
PRESTON NIBLACK, DIRECTOR**

**RESOLUTION COMPUTING AND CERTIFYING ADJUSTED BASE
PROPORTION OF EACH CLASS OF REAL PROPERTY FOR
FISCAL 2011 TO THE STATE BOARD OF REAL PROPERTY
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 of the Real Property Tax Law to establish the class shares used in levying the real property taxes for the adopted Fiscal 2011 budget.

In a separate resolution, the Council computed and certified the current base proportions for Fiscal 2011 (the "CBP Resolution"). The above-captioned resolution uses those current base proportions, together with data supplied by the New York City Department of Finance from the final assessment roll released on May 25, 2010, to determine the adjusted base proportions (or class shares) in accordance with the procedure established by the State Board of Real Property Services (the "SBRPS").

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 SBRPS has established class equalization rates, 2009. The CBP Resolution modified the class shares for the Fiscal 2011 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 SBRPS procedure are designed to separate the effects of these physical changes from equalization changes made by local assessors.

Analysis. The calculations shown on the SBRPS Form RP-6702 attached to the above-captioned resolution modify the share for each class to reflect physical changes. For Fiscal 2011, all property tax classes show modest physical increases, resulting in the following changes. The Fiscal 2011 adjusted base proportions for Classes 1, 3 and 4 show modest decreases of less than one percent from the Fiscal 2010 current base proportions, while the changes for Class 3 show an increase of 4.91 percent from the current base proportions.

However, the changes from the adjusted base proportions from Fiscal 2010 to Fiscal 2011, as reported in the table below, show increases of over four percent for Class 1, and a decrease of almost 1.5 percent Class 4. Classes 2 and 3 see very modest decreases of less than a quarter of a percent. (Last year's increase in class shares was capped at 0.0 percent.)

Comparison of Class Shares for Fiscal 2010 and Fiscal 2011			
Class	Fiscal 2010	Fiscal 2011	Percent Change
1	14.8231	15.4608	+4.30
2	37.4672	37.4187	-0.13
3	7.5717	7.5649	-0.09
4	40.1380	39.5556	-1.45
Total	100.0000	100.0000	

The tax rates resulting from the use of class shares, or adjusted base proportions, shown above for Fiscal 2011 are compared to the Fiscal 2010 tax rates in the following table.

Comparison of Tax Rates for Fiscal 2010 and Fiscal 2011 (Per \$100 Assessed Value)			
Class	Fiscal 2010	Fiscal 2011	\$ Difference
1	17.088	17.788	+0.700
2	13.241	13.353	+0.112
3	12.743	12.560	-0.183
4	10.426	10.227	-0.199

PRECONSIDERED

RESOLUTION NO. _____

By Council Member Recchia

RESOLUTION COMPUTING AND CERTIFYING ADJUSTED BASE PROPORTION OF EACH CLASS OF REAL PROPERTY FOR FISCAL 2011 TO THE STATE BOARD OF REAL PROPERTY SERVICES PURSUANT TO SECTION 1803-a OF THE REAL PROPERTY TAX LAW

Whereas, on May 25, 2010, 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, 2010 and ending on June 30, 2011 ("Fiscal 2011"), 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 2011 Assessment Rolls"); and

Whereas, pursuant to Section 1803-a (1) of the Real Property Tax Law the Council adopts herewith 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 2011 (the "Current Base Proportion Resolution"); and

Whereas, Section 1803-a (5) of the Real Property Tax Law requires the Council, subsequent to the filing of the final Fiscal 2011 Assessment Rolls, to adjust current base proportions computed pursuant to the Current Base Proportion Resolution to reflect additions to and removals from the Fiscal 2011 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) of the Real Property Tax Law, requires the Council to certify, to the State Board of Real Property Services ("SBRPS"), 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 2011 Assessment Rolls resulting from the additions to or removals from the Fiscal 2011 Assessment Rolls as described above, and the net change in assessed value for each class on the Fiscal 2011 Assessment Rolls resulting from changes other than those referred to above;

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 2011. (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 2011 Assessment Rolls resulting from the additions to or removals from the Fiscal 2011 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 2011 Assessment Rolls resulting from changes other than those described in Section 1803-a (5), Real Property Tax Law, as shown on SBRPS 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 SBRPS no later than five (5) days after the date hereof.

Section 2. Effective Date. This resolution shall take effect as of the date hereof.

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

**Certificate of Adjusted Base Proportions Pursuant to Article 18, RP TL,
 for the 2010 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 ___ 2009 ___; Levy Roll ___ 2010 _____

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	\$16,246,005,714	\$167,250,409	\$46,372,453	\$120,877,956	\$16,199,633,261
2	60,087,034,140	2,217,930,307	727,331,353	1,490,598,954	59,359,702,787
3	2,702,911,454	176,510,700	114,700,590	61,810,110	2,588,210,864
4	74,302,248,632	2,273,096,583	641,885,248	1,631,211,335	73,660,363,384

	(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	\$661,550,627	\$71,504,047	\$590,046,580	1.036423
2	2,822,524,583	1,644,455,676	1,178,068,907	1.019846
3	105,894,630	54,049,903	51,844,727	1.020031
4	4,051,621,436	1,335,638,196	2,715,983,240	1.036872

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	\$15,818,012,901	\$15,262,120,679	\$0	\$15,262,120,679	\$15,155,941,182	1.00701
2	51,264,624,052	50,267,024,680	0	50,267,024,680	49,691,515,708	1.01158
3	2,251,911,421	2,207,689,199	8,907,057,194	11,114,746,393	10,450,753,096	1.06354
4	70,870,684,220	68,350,465,843	0	68,350,465,843	67,713,490,810	1.00941

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	15.5643	15.6734	15.4608
2	37.4991	37.9333	37.4187
3	7.2108	7.6690	7.5649
4	39.7258	40.0996	39.5556
Total	100.0000	101.3753	100.0000

I, the Clerk of the Legislative Body of the special assessing unit identified above, hereby certify that the legislative body determined on June 29, 2010 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