



Legislation Details (With Text)

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Title: A Local Law in relation to the deferral of property tax liability on real property with an assessed value exceeding two hundred fifty thousand dollars owned by certain property owners impacted by COVID-19

Sponsors: Margaret S. Chin, Adrienne E. Adams

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Attachments: 1. Summary of Int. No., 2. Int. No., 3. Committee Report 6/10/20

Date	Ver.	Action By	Action	Result
6/10/2020	*	Committee on Finance	Hearing on P-C Item by Comm	
6/10/2020	*	Committee on Finance	P-C Item Laid Over by Comm	
6/18/2020	*	City Council	Introduced by Council	

Preconsidered Int. No.

By Council Members Chin and Adams

A Local Law in relation to the deferral of property tax liability on real property with an assessed value exceeding two hundred fifty thousand dollars owned by certain property owners impacted by COVID-19

Be it enacted by the Council as follows:

Section 1. a. As used in this local law, the following terms have the following meanings:

COVID-19. The term “COVID-19” means the 2019 novel coronavirus or 2019-nCoV.

Department. The term “department” means the department of finance.

Deferral agreement. The term “deferral agreement” means an agreement between the department and a property owner to defer the payment of real property tax for the installment of real property tax otherwise due and payable as of July 1, 2020 by the terms of this section.

Income. The term “income” means the amount that would be reported by the property owner on an

income and expense statement required pursuant to section 11-208.1 of the administrative code of the city of New York; provided that if no income and expense statement is required to be filed for the subject property “income” means the amount that would be so reported if such an income and expense statement were required.

b. Notwithstanding any inconsistent provision of law or rule, a property owner whose real property has an assessed value exceeding two hundred fifty thousand dollars, and who satisfies the requirements described in subdivision d of this local law, may enter into a deferral agreement.

c. For purposes of this section, property held in the cooperative form of ownership shall be deemed to have an assessed value of over two hundred fifty thousand dollars if the property’s assessed value divided by the number of residential dwelling units is more than two hundred fifty thousand dollars per unit.

d. To be eligible to enter into a deferral agreement, an applicant must demonstrate that the following requirements are met: 1. the applicant is a property owner and the subject property was occupied by an active business or trade on March 7, 2020 that became subject to seating, occupancy or on-premises service limitations pursuant to an executive order issued by the governor or mayor between March 7, 2020 and June 30, 2020; or

2. Experienced an unexpected decline in income during any length of time no shorter than 30 days during the period March 1, 2020 through June 30, 2020 as compared to a period of the same length at any point since March 1, 2019, that was greater than or equal to the real property tax liability thereon due on July 1, 2020.

e. The interest rate imposed on the property tax liability deferred pursuant to a deferral agreement shall be the same as the interest rate set by the commissioner of finance pursuant to paragraph 5 of section 11-687 of the administrative code of the city of New York for the underpayment of taxes due pursuant to chapter 6 of title 11 of the administrative code of the city of New York.

f. The deferral agreement shall require:

1. that the property owner pay 25 percent of the taxes due on July 1, 2020 by October 1, 2020 and the remainder of the such taxes due by May 1, 2021, with applicable interest;

2. if applicable, that the property owner provides any commercial, residential, or institutional tenant or lessee at the subject property, irrespective of any lease terms to the contrary, the option for a forbearance on rent with an interest rate on late lease payments that shall not exceed one-quarter the rate applicable to the property owner's own unpaid deferred taxes, and no late payment penalties, starting at any point of tenant or lessee's choosing during the period commencing April 1, 2020 and continuing until three months after the property owner becomes current with outstanding real property taxes and sewer rents, sewer surcharges, and water rents on the subject property; and

3. if applicable, that the property owner provides notice to all tenants of the interest rates on late lease payments and the suspension of late payment penalties within 15 days of the department's approval of the deferral agreement application for the subject property, and a second notice advising tenants of the end of such interest rate and of the restoration of any late payment penalties at least 30 days before the property owner is eligible to do so.

g. A property owner's failure to adhere to the requirements of this subdivision will result in application of the otherwise applicable interest rate on unpaid real property taxes, in accordance with section 11-224.1 of the administrative code of the city of New York, until the owner has cured any missed payments to the city and refunded any tenant overcharges.

h. A complete application must be submitted to, and approved by, the department. Upon the submission of a deferral agreement application, the department shall provide the applicant with a notice that the application has been received by the department.

i. The department shall conduct outreach to advertise the availability of the deferral agreements that are subject of this section.

j. The department shall provide information regarding the availability of the installment agreements provided for in section 11-322 of the administrative code of the city of New York to all applicants for a deferral agreement under this section.

k. The department shall issue a report on the deferral agreements established pursuant to this section. Such reports shall be submitted to the speaker of the council and published on the department's website no later than November 1, 2020 and shall include, but not be limited to, the following information, disaggregated by borough:

1. the total number of applications received;
2. the total number of applications approved;
3. the total number of applications denied;
4. the aggregate value of property tax liability deferred by all approved deferral agreements.

§ 2. This local law takes effect immediately, except that if it becomes law after July 1, 2020, it is retroactive to and deemed to have been in full force and effect as of July 1, 2020.

NAB
LS #6347
6/7/2020