The New York City Council

Legislation Details (With Text)

File #: T2020-6276  Version: *  Name: Deferral of property tax liability on real property with an assessed value of two hundred fifty thousand dollars or less owned by certain property owners impacted by COVID-19.

Type: Introduction  Status: Laid Over in Committee

On agenda: 6/18/2020

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

Sponsors: The Public Advocate (Mr. Williams), Ben Kallos, Brad S. Lander, Adrienne E. Adams

Indexes: Report Required


<table>
<thead>
<tr>
<th>Date</th>
<th>Ver.</th>
<th>Action By</th>
<th>Action</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/10/2020</td>
<td>*</td>
<td>Committee on Finance</td>
<td>Hearing on P-C Item by Comm</td>
<td></td>
</tr>
<tr>
<td>6/10/2020</td>
<td>*</td>
<td>Committee on Finance</td>
<td>P-C Item Laid Over by Comm</td>
<td></td>
</tr>
<tr>
<td>6/18/2020</td>
<td>*</td>
<td>City Council</td>
<td>Introduced by Council</td>
<td>Preconsidered Int. No.</td>
</tr>
</tbody>
</table>

By The Public Advocate (Mr. Williams) and Council Members Kallos, Lander and Adams

A Local Law in relation to the deferral of property tax liability on real property with an assessed value of two hundred fifty thousand dollars or less 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 state disaster emergency. The term “COVID-19 state disaster emergency” means the state disaster emergency declared by the governor in executive order number 202 issued on March 7, 2020.

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 real property tax liability without interest or penalty for the installment of real property
tax otherwise due and payable as of July 1, 2020, until October 1, 2020.

Income. The term “income” means the adjusted gross income for federal income tax purposes as reported on an applicant's most recently filed federal or state income tax return, subject to any subsequent amendments or revisions; provided that if no such return was filed, “income” means the adjusted gross income that would have been so reported if such a return had been filed.

b. Notwithstanding any inconsistent provision of law or rule, a property owner whose real property has an assessed value of two hundred fifty thousand dollars or less, and who satisfies the requirements described in subdivision d of this section, 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 two hundred fifty thousand dollars or less if the property’s assessed value divided by the number of residential dwelling units is two hundred fifty thousand dollars or less 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 is such owner’s primary residence. Hospitalization or a temporary stay in a nursing home or rehabilitation facility for a period of not more than three years shall not be considered a change in primary residence.

2. (a) Between March 7, 2020 and June 30, 2020 the property owner experienced two or more weeks in which (i) the property owner claimed federal or state unemployment insurance benefits in connection with a claim that was filed on or after March 7, 2020 or (ii) the property owner worked fewer than three days and earned less than $504 because of one or more of the following situations:

(1) the property owner was diagnosed with COVID-19 or was experiencing symptoms of COVID-19 and seeking a medical diagnosis;

(2) a member of the property owner’s household was diagnosed with COVID-19;

(3) the property owner was providing care for a family member or a member of the property owner’s household who was diagnosed with COVID-19;
(4) the property owner became unemployed, partially unemployed, or could not commence employment as a direct result of COVID-19 or the state disaster emergency;

(5) a member of the property owner’s household for whom the person had primary caregiving responsibility was unable to attend school or another facility that was closed as a direct result of the COVID-19 state disaster emergency and such school or facility care was required for the person to work;

(6) the property owner was unable to reach the person’s place of employment because of a quarantine imposed as a direct result of the COVID-19 state disaster emergency;

(7) the property owner was unable to reach the person’s place of employment because the person had been advised by a health care provider to self-quarantine due to concerns related to COVID-19;

(8) the property owner was scheduled to commence employment and did not have a job or was unable to reach the job as a direct result of the COVID-19 state disaster emergency;

(9) the property owner became primarily responsible for providing financial support for the household of such person because the previous head of the household died as a direct result of COVID-19;

(10) the property owner quit a job as a direct result of COVID-19; or

(11) the property owner’s place of employment was or is closed as a direct result of the COVID-19 state disaster emergency;

(b) the property owner is being held liable for a debt or other obligation of a business that was 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 the June 30, 2020; or

(c) the property owner was not paid rental income which was due to such property owner on a dwelling unit within the property for which the property owner is applying for a deferral agreement because the tenant of such dwelling unit claimed loss of income as a result of COVID-19.

3. The combined income of the applicant and of all the additional property owners shall not exceed $200,000.
4. For residential property held in the cooperative form of ownership, the cooperative must demonstrate that at least 20 percent of the dwelling units held in such common ownership meet the criteria enumerated in paragraphs 1 through 3 of this subdivision.

e. 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.

f. An applicant whose application is denied by the department must pay all real property taxes otherwise due on July 1, 2020 within 15 days of notification of such denial. If such liability is not paid in full within the 15 days, interest shall be imposed on any unpaid amounts in accordance with 11-224.1 of the administrative code of the city of New York beginning on July 15, 2020.

g. If a property owner has not paid the tax liability that was subject to the deferral agreement in full by October 15, 2020, interest shall be imposed on any unpaid amounts in accordance with 11-224.1 of the administrative code of the city of New York, unless such property owner has (i) entered into an installment agreement pursuant to sections 11-322 or 11-322.1 of the administrative code of the city of New York with the department for the payment of the delinquent amounts, or (ii) submitted an application for such an installment agreement that is pending with the department. In the event that the department subsequently denies such application, the applicant shall have 15 days from notification that such application has been denied to pay all unpaid deferred tax liability without interest thereon before interest will be imposed.

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

i. The department shall provide information regarding the availability of the installment agreements provided for in sections 11.322 and 11-322.1 of the administrative code of the city of New York to all applicants for a deferral agreement under this section.

j. 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. Paragraph 3 of subdivision c of section 11-322.1 of the administrative code of the city of New York, as added by local law 45 for the year 2019, is amended to read as follows:

3. The combined income of the applicant and of all the additional property owners may not exceed $58,399 for the income tax year immediately preceding the date of the application for the installment agreement, except that the combined income for purposes of an extenuating circumstances income-based installment agreement pursuant to subdivision n of this section where the qualifying extenuating circumstance is as a result of circumstances relating to the 2019 novel coronavirus or 2019-nCoV shall not exceed $200,000.

The department shall promulgate rules that establish a process for an applicant to seek an exception from the requirement that income information from all additional property owners be provided in cases of hardship.

§ 3. Subparagraph b of paragraph 2 of subdivision h of section 11-322.1 of the administrative code of the city of New York, as added by local law 45 for the year 2019, is amended to read as follows:

(b) the combined income of such applicant and of all the additional property owners does not exceed $58,399, or $200,000 for an extenuating circumstances income-based installment agreement pursuant to subdivision n of this section where the qualifying extenuating circumstance is as a result of circumstances relating to the 2019 novel coronavirus or 2019-nCoV, for the income tax year immediately preceding the date of the renewal of such installment agreement, except that an applicant for the renewal of a fixed length income-based installment agreement pursuant to subdivision m of this section is not required to submit income
§ 4. Paragraph 6 of subdivision j of section 11-322.1 of the administrative code of the city of New York, as added by local law 45 for the year 2019, is amended to read as follows:

6. If the combined income of all of the property owners exceeds $58,399, or $200,000 for an extenuating circumstances income-based installment agreement pursuant to subdivision n of this section where the qualifying extenuating circumstance is as a result of circumstances relating to the 2019 novel coronavirus or 2019-nCoV, for the income tax year immediately preceding the date of making a renewal application pursuant to subdivision h of this section, the applicant shall pay all taxes and charges imposed against the property after the date of such renewal application as such taxes and charges become due, in addition to the payment amount set forth in such installment agreement.

§ 5. 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.