

CAPA REGULATORY AGENDA 2017
DEPARTMENT OF FINANCE

1. **SUBJECT:** Major capital improvement (MCI) tax abatements
 - A. **Reason:** A new real property tax abatement for rent stabilized and rent controlled apartment buildings in New York City was enacted in 2015. This tax abatement is intended to partially offset the economic loss imposed upon eligible building owners due to the recent changes in the amortization period for major capital improvements.
 - B. **Anticipated contents:** The proposed rule will set forth who is eligible for the benefit as well as how the amount of the benefit is calculated.
 - C. **Objectives:** The tax abatement is intended to partially offset the economic loss imposed upon eligible building owners due to the 2015 changes in the amortization period for major capital improvements.
 - D. **Legal basis:** The enabling legislation for MCI tax abatements is set forth in Real Property Tax Law section 467-i, paragraph 6 of subdivision c of section 26-511 and subparagraph g of paragraph 1 of section 26-405 of the administrative code of the City of New York.
 - E. **Types of individuals and entities likely to be affected:** Owners of rent stabilized and rent controlled apartments.
 - F. **Other relevant laws:** See paragraph D above.
 - G. **Approximate schedule:** 3rd quarter of FY 2018.

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2. **SUBJECT:** Tax Lien Installments
 - A. **Reason:** The Department of Finance proposes revising the rules relating to the sale of tax liens in order to expand the list of extenuating circumstances which allow a property owner or other eligible person to enter into a new installment agreement after previously defaulting on an installment agreement.
 - B. **Anticipated contents:** The proposed rule will add to the list of extenuating circumstances to include active enrollment with the requirements of the New York City Department of Environmental Protection's water debt assistance program.
 - C. **Objectives:** The objective of the proposed rule is to increase the number of property owners or other eligible persons from being included in the City of New York annual tax lien sale.
 - D. **Legal basis:** The authorization for this rule is derived from New York State Real Property Tax Law section 1184 and section 11-322 of the Administrative Code of the City of New York.
 - E. **Types of individuals and entities likely to be affected:** Owners of real property as well as other eligible persons.
 - F. **Other relevant laws:** See paragraph D above.

G. Approximate schedule: 1st quarter of FY 2018.

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3. **SUBJECT**: Mergers and Apportionments of Real Property Tax Lots

- A. Reason: These rules provide guidance concerning the procedures for the merger and apportionment of real property tax lots.
- B. Anticipated contents: The proposed rule will set forth what has to be included in the application for mergers or apportionments as well as the eligibility requirements.
- C. Objectives: The purpose of these rules is to set forth how real property tax lots may be merged or apportioned pursuant to section 11-203 of the Administrative Code of the City of New York.
- D. Legal basis: Section 11-203 of the Administrative Code of the City of New York provides the legal basis for this proposed rule.
- E. Types of individuals and entities likely to be affected: Developers, builders, property owners, managers and real estate brokers of real property in New York City.
- F. Other relevant laws: See paragraph D above.
- G. Approximate schedule: quarter of FY 2018.

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4. **SUBJECT**: SCRIE and DRIE ADA Rule

- A. Reason: The Senior Citizen Rent Increase Exemption (SCRIE) Program and Disability Rent Increase Exemption (DRIE) Programs provide eligible senior citizens and persons with disabilities with exemptions from certain rent increases and property owners with a corresponding abatement of real property taxes. The Department of Finance is considering amending a rule which allows program participants to file renewal applications past the specified deadline under certain circumstances. This proposed rule amendment will provide additional guidance concerning the extension of filing deadlines for SCRIE and DRIE benefit applicants.
- B. Anticipated contents: The proposed changes concern the designation of representatives for tenants and the provision of medical documentation when applying for deadline extensions for these programs. The proposed rules also reference the requirements of both the Americans with Disability Act and the New York City Humans Rights Law as it relates to deadline extensions for submissions of SCRIE and DRIE renewal applications.
- C. Objectives: These rules will set forth the criteria for approving deadline extensions for program applicants and beneficiaries.
- D. Legal basis: The enabling legislation for SCRIE and DRIE benefits are set forth in Real Property Tax Law sections 467(b) and 467(c) and the local laws are set forth in Chapter 3 (Section 26-401 et seq.), Chapter 4 (Section 26-501 et seq.) and Chapter 7 (Section 26-601 et seq.) of Title 26 of the Administrative Code of the City of New York. The rule amendment also concerns the Americans with Disability Act and the New York City Human Rights Law.

- E. Types of individuals and entities likely to be affected: SCRIE and DRIE applicants and beneficiaries and owners of rent stabilized and rent controlled apartments.
- F. Other relevant laws: See paragraph D above.
- G. Approximate schedule: 2nd quarter of FY 2018.

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5. **SUBJECT:** SCRIE and DRIE Program Rules

- A. Reason: The Senior Citizen Rent Increase Exemption (SCRIE) Program and Disability Rent Increase Exemption (DRIE) Programs provide eligible senior citizens and persons with disabilities with exemptions from certain rent increases and property owners with a corresponding abatement of real property taxes. These rules will provide more detailed information concerning the eligibility as well as calculation of SCRIE and DRIE benefits for eligible senior citizens and persons with disabilities.
- B. Anticipated contents: The proposed rules will address who is eligible for SCRIE and DRIE benefits as well as the income and apartment eligibility requirements. The proposed rules will also address rent increase exemption orders, the treatment of Major Capital Improvements (MCI), preferential rents, benefit takeovers and rent redeterminations.
- C. Objectives: These rules will provide guidance concerning the eligibility for as well as calculation of rent increase exemption benefits for eligible senior citizens and persons with disabilities as well as corresponding tax abatement benefits for building owners.
- D. Legal basis: The enabling legislation for SCRIE and DRIE benefits are set forth in Real Property Tax Law sections 467(b) and 467(c) and the local laws are set forth in Chapter 3 (Section 26-401 et seq.), Chapter 4 (Section 26-501 et seq.) and Chapter 7 (Section 26-601 et seq.) of Title 26 of the Administrative Code of the City of New York.
- E. Types of individuals and entities likely to be affected: SCRIE and DRIE beneficiaries and owners of rent stabilized and rent controlled apartments.
- F. Other relevant laws: See paragraph D above.
- G. Approximate schedule: 3rd quarter of FY 2018.

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6. **SUBJECT:** Waiver of Bail Fees

- A. Reason: The Administrative Code of the City of New York was amended in 2016 to provide the City of New York Department of Finance (“DOF”) with the authority to waive the 3% bail fee it is entitled to when a defendant is either convicted or pleads guilty after consideration of a number of factors. DOF has considered these factors, the budgetary impact on the city of such a waiver, the purposes of orders of bail and the equitable administration of justice and has determined that the minimal loss in revenue is far outweighed by the benefits of waiving this bail fee in all cases. Waiving this fee will increase fairness and equity in the criminal justice system. The proposed rule also revises the rules relating to the fee for credit card transactions if bail is paid by credit card.

- B. Anticipated contents: The proposed rule will waive the 3% percentage fee to which DOF is entitled and a credit card fee of 4.95% if bail is paid by credit card.
- C. Objectives: Waiving this fee will increase fairness and equity in the criminal justice system.
- D. Legal basis: The legal authorization for this proposed rule derives from New York State General Municipal Law sections 5 and 99m and section 11-105 of the Administrative Code of the City of New York.
- E. Types of individuals and entities likely to be affected: People who post cash bail or a partially secured bail bond to keep a defendant out of jail.
- F. Other Relevant Laws: See paragraph D above.
- G. Approximate schedule: 1st quarter of FY 2018.

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7. **SUBJECT**: OATH Designation to Adjudicate Tobacco and Synthetic Marijuana Violations

- A. Reason: The Rules will involve the designation of OATH to adjudicate (i.e hear and determine) violations of New York City Administrative Code (the Ad. Code”) provisions involving Tobacco and synthetic marijuana (also known as and hereinafter referred to as “K2”) in proceedings initiated by DOF. The Rules will also provide certain procedures concerning these violations. Also, the Rules will provide procedures for sealing the premises of someone who commits a tobacco of K2 violations when authorized by statute. The Rules are needed to authorize OATH to adjudicate violations (including conducting hearings) for Tobacco and K2 violations so that DOF can implement and enforce recent local legislation concerning tobacco enforcement as well as additional recent local legislation prohibiting the sale distribution and possession with intent to sell of K2.
- B. Anticipated contents: Among other things, the Rules will: (1) Designate OATH as the tribunal for adjudicating these Tobacco and K2 violations matters; (2) Provide certain procedures for admitting violations without hearing and settling violation proceedings; (3) Provide Penalties and Penalty Schedules, including monetary amounts and any possible retail cigarette license revocation or suspension applicable to those who admit to or are found to have committed violations; (4) Provide detailed procedures for the sealing of a violator’s premises when authorized by statute.
- C. Objectives: Please see the response to Question B., above.
- D. Legal basis: Sections 17-710, 17-716 and 17-717 of the Ad. Code as amended by Local Law 97 of 2013 for tobacco violations. Section 10-203 of the Ad. Code as added by Local Law 97 and Local Law 95 of 2015.
- E. Types of individuals and entities likely to be affected: Entities and individuals that sell cigarettes or other tobacco products and entities and individuals that engaging in the illegal sale, transport for sale or possession with intent for sell K2.
- F. Other Relevant Laws: See paragraph D above.
- G. Approximate schedule: 1st quarter of FY 2018 or last quarter of FY17.

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