DEPARTMENT OF FINANCE

Notice of Adoption of Rules

Pursuant to the Emergency Procedures of Section 1043(i)(1) of the New York City Charter and the rulemaking authority granted to the New York City Department of Finance ("DOF") by Charter sections 1043 and 1504, as well as the authority granted by Chapter 32 of Title 11 of the Administrative Code of the City of New York (as added by Part HH of Chapter 59 of the Laws of 2026), DOF adopts the following emergency rule relating extending the period and expanding the processes by which property owners may apply for an exemption from the surcharge on certain real properties that do not serve as a primary residences. This rule will take effect immediately.

Statement of Basis and Purpose

The New York City Department of Finance ("DOF") is adopting the following rule change in accordance with the powers set forth in New York City Charter ("Charter") §§ 1043(a) and (i) and 1504, as well as chapter 32 of title 11 of the New York City Administrative Code ("Administrative Code"). On May 28, 2026, New York State adopted part HH of chapter 59 of the laws of 2026 into law, which enacted a new chapter 32 within title 11 of the Administrative Code, imposing a surcharge on certain residential properties that do not serve as the primary residence of the owners of such properties, their immediate family members, or a tenant. *See also* Tax Law art. 30-C (codifying the corresponding enabling statute, also added by part HH of chapter 59 of the laws of 2026). This surcharge is calculated as the product of a surcharge rate established by statute and the market value of the applicable property, or with respect to a residential cooperative property, a residential cooperative dwelling unit. *See* Administrative Code §§ 11-3202 to 11-3204. This surcharge only applies to class one residential properties, residential cooperative dwelling units and residential condominium units that are not used as a primary residence by an owner or their immediate family members or a tenant and that have market values exceeding thresholds set forth in the Administrative Code. *See* Administrative Code § 11-3202.

This rule change amends 19 RCNY § 62-06 to extend the period in which, and expand the processes by which, a property owner may file an appeal of an initial determination by DOF that their property serves as a primary residence and is therefore subject to the surcharge. *See* Administrative Code § 11-3203. Specifically, for fiscal year 2026/2027, a property owner may file such an appeal until September 18, 2026, or a later date selected by the Commissioner of Finance, where good cause is shown. The extension provides homeowners with additional time to file an appeal and receive assistance with any questions they may have about the appeal process. This rule change would also authorize property owners to file an appeal in person at locations designated by the DOF commissioner. This additional time and flexibility in filing an appeal are necessary to facilitate appeals by property owners who are familiarizing themselves with this new surcharge.

<u>New material is underlined.</u>

[Deleted material is in brackets.]

"Shall" and "must" denote mandatory requirements and may be used interchangeably in the rules of this department unless otherwise specified or unless the context clearly indicates otherwise.

Section one. The opening paragraph of paragraph 1 of subdivision (b) of section 62-06 of title 19 of the rules of the city of New York is amended to read as follows:

1. An owner of a covered property, or, in the case of a covered property that is a residential cooperative property, a residential cooperative dwelling unit, or a duly authorized person may file an appeal of any initial determination made pursuant to subdivision (a) of this section no later than 30 days after the date that notice of such initial determination is transmitted pursuant to paragraph (4) of such subdivision, or if no such notice is transmitted by DOF, no later than 30 days after such surcharge appears on the assessment roll<u>, provided, however, that in the fiscal year beginning on July 1, 2026, such owner or duly authorized person may file an appeal of such initial determination no later than: (i) September 18, 2026; or (ii) a date selected by the commissioner of finance, where good cause is shown, whichever is later</u>. Such owner must file such appeal in writing through an electronic portal designated by the department<u>, or may file such appeal in person at a location designated by commissioner</u>. Such appeal must include a certification that such property or dwelling unit is used as a primary residence and one or more of the following:

Required Finding Pursuant to New York City Charter Section 1043(i)(1)

IT IS HEREBY CERTIFIED that the immediate effectiveness of this emergency rule, which extends the period in which, and expands the processes by which, a property owner may file an appeal of an initial determination by the Department of Finance that a property is not a primary residence for purposes of the surcharge on certain real properties that do not serve as a primary residences, is necessary to protect property and facilitate the provision of necessary services.

This emergency rule extends the period in which a property owner may file an appeal of an initial determination by the Department of Finance that their property does not serve as a primary residence and is therefore subject to the surcharge, and allows such an appeal to be filed in person at locations designated by the Commissioner of Finance. *See* Administrative Code § 11-3203. Pursuant to this emergency rule, for fiscal year 2026/2027, property owners may file such an appeal until the later of September 18, 2026 or a later date selected by the Commissioner of Finance, where good cause is shown. The extension provides homeowners with additional time to file an appeal and receive assistance with any questions they may have about the appeals process. This additional time and flexibility in filing an appeal are necessary to facilitate appeals by property owners who are familiarizing themselves with this new surcharge.

Delaying implementation of this rule pending non-emergency rulemaking would foreseeably affect the property interests of and provision of necessary services to New Yorkers who are currently familiarizing themselves with the surcharge. Pursuant to section 1043(i)(2) of the New York City Charter, the emergency rule will remain in effect for not more than 60 days, provided that the emergency rule may be extended for a further 60 days while the DOF prepares a permanent rule.

July 31, 2026

_______/s/____________

Richard Lee

Commissioner

New York City Department of Finance

APPROVED:

______/s/_____________ Date: 08/03/2026

Zohran Kwame Mamdani

Mayor