

4381

2011-2012 Regular Sessions

I N S E N A T E

April 1, 2011

Introduced by Sens. YOUNG, LANZA, SAVINO -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

AN ACT to amend the real property tax law, in relation to exemption of newly constructed private homes from local taxation in cities with a population of one million or more

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 Section 1. The real property tax law is amended by adding a new
2 section 421-1 to read as follows:
3 S 421-1. EXEMPTION OF CERTAIN PRIVATE HOMES FROM LOCAL TAXATION. 1.
4 FOR PURPOSES OF THIS SECTION, THE FOLLOWING TERMS SHALL HAVE THE FOLLOW-
5 ING MEANINGS:
6 (A) "COMMENCE CONSTRUCTION" SHALL MEAN THAT THE AGENCY OR DEPARTMENT
7 OF THE CITY HAVING JURISDICTION HAS ISSUED A PERMIT FOR CONSTRUCTION OF
8 A PRIVATE HOME AND SUCH WORK HAS BEGUN IN GOOD FAITH IN ACCORDANCE WITH
9 SUCH PERMIT.
10 (B) "COMPLETE CONSTRUCTION" SHALL MEAN THAT THE AGENCY OR DEPARTMENT
11 OF THE CITY HAVING JURISDICTION HAS ISSUED A TEMPORARY OR PERMANENT
12 CERTIFICATE OF OCCUPANCY FOR ALL RESIDENTIAL AREAS OF THE PRIVATE HOME.
13 (C) "ELIGIBLE PROJECT" SHALL MEAN A NEWLY CONSTRUCTED PRIVATE HOME,
14 INCLUDING BOTH LAND AND IMPROVEMENTS, TO BE OCCUPIED AS A RESIDENCE FOR
15 THE FIRST TIME, WHICH COMMENCES CONSTRUCTION ON OR AFTER JULY FIRST, TWO
16 THOUSAND TEN AND ON OR BEFORE DECEMBER THIRTY-FIRST, TWO THOUSAND FOUR-
17 TEEN, AND COMPLETES CONSTRUCTION NO LATER THAN DECEMBER THIRTY-FIRST,
18 TWO THOUSAND SIXTEEN, AND WHICH IS DESIGNED AND OCCUPIED EXCLUSIVELY FOR
19 RESIDENTIAL PURPOSES.
20 (D) "EXEMPTION COMMENCEMENT DATE" SHALL MEAN THE FIRST TAXABLE STATUS
21 DATE AFTER THE LATER TO OCCUR OF THE COMPLETION OF SUCH CONSTRUCTION OR
22 THE SALE TO THE INITIAL PURCHASER OR, IN THE CASE OF A PRIVATE HOME IN A
23 CONDOMINIUM FORM OF OWNERSHIP, THE FIRST TAXABLE STATUS DATE AFTER THE

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets
[] is old law to be omitted.

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1 LATER TO OCCUR OF THE COMPLETION OF SUCH CONSTRUCTION OR THE SALE TO THE
2 FIRST INITIAL PURCHASER OF A CONDOMINIUM DWELLING UNIT IN SUCH PRIVATE
3 HOME.

4 (E) "INITIAL PURCHASER" SHALL MEAN THE FIRST PURCHASER OF A NEWLY
5 CONSTRUCTED PRIVATE HOME OR, IN THE CASE OF A PRIVATE HOME IN A CONDO-
6 MINIUM FORM OF OWNERSHIP, THE FIRST PURCHASER OF EACH DWELLING UNIT IN
7 SUCH NEWLY CONSTRUCTED PRIVATE HOME.

8 (F) "LOCAL HOUSING AGENCY" SHALL MEAN AN "AGENCY" AS DEFINED PURSUANT
9 TO SECTION SIX HUNDRED NINETY-TWO OF THE GENERAL MUNICIPAL LAW.

10 (G) "PURCHASE PRICE" SHALL MEAN THE ACTUAL PURCHASE PRICE TO BE PAID
11 FOR THE PRIVATE HOME BY THE INITIAL PURCHASER.

12 (H) "MAXIMUM PURCHASE PRICE" SHALL MEAN THE PURCHASE PRICE OF A
13 PRIVATE HOME WHICH, IF EXCEEDED, WILL MAKE ANY EXEMPTION PURSUANT TO
14 THIS SECTION UNAVAILABLE.

15 (I) "MAXIMUM EXEMPTION AMOUNT" SHALL MEAN THE PORTION OF THE PURCHASE
16 PRICE TO BE EXEMPTED FROM TAXATION OF: (I) SIX HUNDRED SEVENTY-ONE THOU-
17 SAND DOLLARS IN THE CASE OF A PRIVATE HOME CONTAINING ONE DWELLING UNIT,
18 (II) SEVEN HUNDRED FIFTY-FIVE THOUSAND FIVE HUNDRED FORTY DOLLARS IN THE
19 CASE OF A PRIVATE HOME CONTAINING TWO DWELLING UNITS, (III) NINE HUNDRED
20 FOURTEEN THOUSAND SEVEN HUNDRED FIFTY DOLLARS IN THE CASE OF A PRIVATE
21 HOME CONTAINING THREE DWELLING UNITS, AND (IV) FOUR HUNDRED THOUSAND
22 DOLLARS FOR EACH INDIVIDUAL CONDOMINIUM UNIT IN THE CASE OF CONDOMINIUM
23 FORM OF OWNERSHIP IN A PRIVATE HOME. THE MAXIMUM PURCHASE PRICES
24 PROVIDED IN SUBPARAGRAPHS (I), (II), (III) AND (IV) OF THIS PARAGRAPH
25 SHALL BE THE LIMIT FOR THE APPLICATION OF ANY EXEMPTION FROM TAXATION
26 UNDER THIS SECTION. NO EXEMPTION SHALL BE AVAILABLE WHERE THE MAXIMUM
27 PURCHASE PRICE EXEMPTION IS IN EXCESS OF NINE HUNDRED FIFTY THOUSAND
28 DOLLARS FOR A ONE, TWO OR THREE FAMILY PRIVATE HOME, OR FOUR HUNDRED
29 THOUSAND DOLLARS FOR AN INDIVIDUAL CONDOMINIUM UNIT.

30 (J) "MULTIPLE DWELLING" SHALL MEAN A MULTIPLE DWELLING WITHIN THE
31 MEANING OF SECTION FOUR OF THE MULTIPLE DWELLING LAW.

32 (K) "PRIVATE HOME" SHALL MEAN AN OWNER OCCUPIED PRIVATE OR MULTIPLE
33 DWELLING CONTAINING NOT MORE THAN THREE DWELLING UNITS, AS INDICATED ON
34 THE CERTIFICATE OF OCCUPANCY FOR SUCH STRUCTURE.

35 2. (A) WITHIN A CITY HAVING A POPULATION OF ONE MILLION OR MORE, AN
36 ELIGIBLE PROJECT SHALL BE EXEMPT FROM ALL LOCAL AND MUNICIPAL TAXES,
37 OTHER THAN ASSESSMENTS FOR LOCAL IMPROVEMENTS, DURING THE TAX YEAR OR
38 YEARS NEXT FOLLOWING THE EXEMPTION COMMENCEMENT DATE AS FOLLOWS: WITH
39 RESPECT TO PRIVATE HOMES CONTAINING LESS THAN FOUR DWELLING UNITS, TWO
40 YEARS OF EXEMPTION FROM ALL SUCH TAXES; FOLLOWED BY ONE YEAR OF
41 EXEMPTION FROM SEVENTY-FIVE PERCENT OF SUCH TAXES; FOLLOWED BY ONE YEAR
42 OF EXEMPTION FROM SIXTY-TWO AND ONE-HALF PERCENT OF SUCH TAXES; FOLLOWED
43 BY ONE YEAR OF EXEMPTION FROM FIFTY PERCENT OF SUCH TAXES; FOLLOWED BY
44 ONE YEAR OF EXEMPTION FROM THIRTY-SEVEN AND ONE-HALF PERCENT OF SUCH
45 TAXES; FOLLOWED BY ONE YEAR OF EXEMPTION FROM TWENTY-FIVE PERCENT OF
46 SUCH TAXES; AND FOLLOWED BY ONE YEAR OF EXEMPTION FROM TWELVE AND
47 ONE-HALF PERCENT OF SUCH TAXES.

48 (B) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (A) OF THIS SUBDIVI-
49 SION, EXEMPTION FROM LOCAL AND MUNICIPAL TAXES UNDER THIS SECTION SHALL
50 NOT BE AVAILABLE TO THE TAX LOT (LAND AND IMPROVEMENTS) UPON WHICH A
51 PRIVATE HOME IS CONSTRUCTED IF ANY PORTION OF SUCH TAX LOT (LAND AND
52 IMPROVEMENTS): (I) IS EXEMPT FROM LOCAL AND MUNICIPAL TAXES UNDER ANY
53 OTHER PROVISION OF LAW; OR (II) CONTAINS A PRIVATE HOME THAT EXCEEDS THE
54 MAXIMUM PURCHASE PRICE OR AN INDIVIDUAL CONDOMINIUM UNIT THAT EXCEEDS A
55 PURCHASE PRICE OF FOUR HUNDRED THOUSAND DOLLARS.

1 (C) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (A) OF THIS SUBDIVI-
2 SION, THE TAX LOT (LAND AND IMPROVEMENTS) UPON WHICH THE PRIVATE HOME IS
3 CONSTRUCTED SHALL AT ALL TIMES BE SUBJECT TO LOCAL AND MUNICIPAL TAXES
4 IN AN AMOUNT NOT LESS THAN THE AMOUNT OF LOCAL AND MUNICIPAL TAXES THAT
5 WOULD BE PAYABLE THEREON BASED UPON THE ASSESSED VALUATION OF THE LAND
6 APPEARING ON THE ASSESSMENT ROLL IN THE FIRST YEAR AFTER COMPLETION OF
7 CONSTRUCTION.

8 3. (A) BASED ON THE CERTIFICATION OF THE LOCAL HOUSING AGENCY PURSUANT
9 TO THIS SECTION CERTIFYING ELIGIBILITY FOR EXEMPTION PURSUANT TO THIS
10 SECTION, THE DEPARTMENT OF FINANCE OF THE CITY OF NEW YORK SHALL IMPLE-
11 MENT THE AMOUNT OF EXEMPTION FROM LOCAL AND MUNICIPAL TAXES.

12 (B) THE LOCAL HOUSING AGENCY MAY PROMULGATE RULES AND REGULATIONS TO
13 CARRY OUT THE PROVISIONS OF THIS SECTION AND MAY REQUIRE PAYMENT OF A
14 NON-REFUNDABLE FILING FEE IN THE AMOUNT OF TWO HUNDRED DOLLARS PER
15 DWELLING UNIT FOR EACH APPLICATION FOR TAX EXEMPTION PURSUANT TO THIS
16 SECTION.

17 (C) UPON A FINDING BY THE LOCAL HOUSING AGENCY OR BY ANOTHER AGENCY
18 DESIGNATED BY SUCH LOCAL HOUSING AGENCY THAT A PRIVATE HOME IS NOT BEING
19 USED FOR RESIDENTIAL PURPOSES, IS THE SUBJECT OF A VIOLATION FOR AN
20 ILLEGAL OCCUPANCY, OR NOT OWNER OCCUPIED, EXEMPTION FROM TAXATION UNDER
21 THIS SECTION SHALL BE REVOKED AND SHALL TERMINATE PROSPECTIVELY;
22 PROVIDED, HOWEVER, THAT IN THE CASE OF AN ILLEGAL OCCUPANCY, THE OWNER
23 SHALL REPAY ALL TAXES, WITH INTEREST, FROM WHICH SUCH PRIVATE HOME WAS
24 EXEMPTED AND SUCH AMOUNT, IF UNPAID, SHALL BECOME A TAX LIEN AGAINST THE
25 PROPERTY.

26 S 2. This act shall take effect immediately.