S T A T E O F N E W Y O R K

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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 -- reported favorably from said committee, ordered to first report, amended on first report, ordered to a second report and ordered reprinted, retaining its place in the order of second report

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:

Section 1. The real property tax law is amended by adding a new section 421-l to read as follows:

S 421-L. EXEMPTION OF CERTAIN PRIVATE HOMES FROM LOCAL TAXATION. 1. FOR PURPOSES OF THIS SECTION, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

(A) "COMMENCE CONSTRUCTION" SHALL MEAN THAT THE AGENCY OR DEPARTMENT OF THE CITY HAVING JURISDICTION HAS ISSUED A PERMIT FOR CONSTRUCTION OF A PRIVATE HOME AND SUCH WORK HAS BEGUN IN GOOD FAITH IN ACCORDANCE WITH SUCH PERMIT ON OR BEFORE APRIL FIRST, TWO THOUSAND FOURTEEN.

(B) "COMPLETE CONSTRUCTION" SHALL MEAN THAT THE AGENCY OR DEPARTMENT OF THE CITY HAVING JURISDICTION HAS ISSUED A TEMPORARY OR PERMANENT CERTIFICATE OF OCCUPANCY FOR ALL RESIDENTIAL AREAS OF THE PRIVATE HOME.

(C) "ELIGIBLE PROJECT" SHALL MEAN A NEWLY CONSTRUCTED PRIVATE HOME, INCLUDING BOTH LAND AND IMPROVEMENTS, TO BE OCCUPIED AS A RESIDENCE FOR THE FIRST TIME, WHICH COMMENCES CONSTRUCTION ON OR AFTER JULY FIRST, TWO THOUSAND TEN AND ON OR BEFORE DECEMBER THIRTY-FIRST, TWO THOUSAND FOURTEEN, AND COMPLETES CONSTRUCTION NO LATER THAN DECEMBER THIRTY-FIRST, TWO THOUSAND SIXTEEN, AND WHICH IS DESIGNED AND OCCUPIED EXCLUSIVELY FOR RESIDENTIAL PURPOSES.

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

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(D) "EXEMPTION COMMENCEMENT DATE" SHALL MEAN THE FIRST TAXABLE STATUS DATE AFTER THE LATER TO OCCUR OF THE COMPLETION OF SUCH CONSTRUCTION OR THE SALE TO THE INITIAL PURCHASER OR, IN THE CASE OF A PRIVATE HOME IN A CONDOMINIUM FORM OF OWNERSHIP, THE FIRST TAXABLE STATUS DATE AFTER THE LATER TO OCCUR OF THE COMPLETION OF SUCH CONSTRUCTION OR THE SALE TO THE FIRST INITIAL PURCHASER OF A CONDOMINIUM DWELLING UNIT IN SUCH PRIVATE HOME.

(E) "INITIAL PURCHASER" SHALL MEAN THE FIRST PURCHASER OF A NEWLY CONSTRUCTED PRIVATE HOME OR, IN THE CASE OF A PRIVATE HOME IN A CONDOMINIUM FORM OF OWNERSHIP, THE FIRST PURCHASER OF EACH DWELLING UNIT IN SUCH NEWLY CONSTRUCTED PRIVATE HOME.

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

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

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

(I) "MAXIMUM PURCHASE PRICE LIMITS" SHALL BE AS DEFINED BY THE STATE OF NEW YORK MORTGAGE AGENCY LOW INTEREST RATE MORTGAGE PROGRAM IN THE NON-TARGET CATEGORY FOR THE COUNTY WHERE SUCH PROPERTY IS LOCATED, OR IN THE CASE OF AN INDIVIDUAL CONDOMINIUM UNIT, FOUR HUNDRED THOUSAND DOLLARS.

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

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

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

(B) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (A) OF THIS SUBDIVISION, EXEMPTION FROM LOCAL AND MUNICIPAL TAXES UNDER THIS SECTION SHALL NOT BE AVAILABLE TO THE TAX LOT (LAND AND IMPROVEMENTS) UPON WHICH A PRIVATE HOME IS CONSTRUCTED IF ANY PORTION OF SUCH TAX LOT (LAND AND IMPROVEMENTS): (I) IS EXEMPT FROM LOCAL AND MUNICIPAL TAXES UNDER ANY OTHER PROVISION OF LAW; OR (II) CONTAINS A PRIVATE HOME THAT EXCEEDS THE MAXIMUM PURCHASE PRICE OR AN INDIVIDUAL CONDOMINIUM UNIT THAT EXCEEDS A PURCHASE PRICE OF FOUR HUNDRED THOUSAND DOLLARS; OR (III) PREVIOUSLY CONTAINED A PRIVATE OR MULTIPLE DWELLING THAT HAS BEEN FULLY DEMOLISHED OR REMOVED, AND LESS THAN THREE YEARS HAVE ELAPSED BETWEEN THE DATE OF ISSUANCE OF THE PERMIT AUTHORIZING SUCH DEMOLITION AND REMOVAL AND THE DATE THAT THE NEW PRIVATE HOME COMMENCES CONSTRUCTION.

(C) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (A) OF THIS SUBDIVISION, THE TAX LOT (LAND AND IMPROVEMENTS) UPON WHICH THE PRIVATE HOME IS CONSTRUCTED SHALL AT ALL TIMES BE SUBJECT TO LOCAL AND MUNICIPAL TAXES

IN AN AMOUNT NOT LESS THAN THE AMOUNT OF LOCAL AND MUNICIPAL TAXES THAT WOULD BE PAYABLE THEREON BASED UPON THE ASSESSED VALUATION OF THE LAND APPEARING ON THE ASSESSMENT ROLL IN THE FIRST YEAR AFTER COMPLETION OF CONSTRUCTION.

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

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

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

S 2. This act shall take effect immediately, and no exemption shall be allowed pursuant to this act for any construction which is commenced after April 1, 2014.