

STATE OF NEW YORK

10536

IN ASSEMBLY

June 3, 2024

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Braunstein)
-- read once and referred to the Committee on Real Property Taxation

AN ACT to amend the real property tax law, in relation to establishing an abatement and exemption from real property taxes for capital improvements to reduce carbon emissions; and providing for the repeal of such provisions upon expiration thereof

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Legislative intent. New York's nation leading climate law,
2 the climate leadership and community protection act of 2019 (CLCPA),
3 requires the state to reduce its greenhouse gas emissions to 40 percent
4 below 1990 levels by 2030, and 85 percent below 1990 levels by 2050,
5 among other goals. At the same time, New York city's local law number 97
6 for the year 2019 requires buildings over 25,000 square feet to reduce
7 their carbon emissions to comply with increasingly stringent emissions
8 limits. While New York's building stock accounts for more than 25
9 percent of statewide greenhouse gas emissions and transportation is a
10 top emitter, in New York city that ratio is reversed, with buildings
11 accounting for approximately 70 percent of greenhouse gas emissions. As
12 such, reaching the state and city's climate goals will require signif-
13 icant investment to decarbonize buildings including through electrifica-
14 tion, energy efficiency, and the use of new technologies and energy
15 sources. The use of this targeted abatement, which would be available to
16 support all property owners that are meaningfully engaged in reducing
17 carbon emissions will ensure the success of the CLCPA and local law 97.
18 This legislation will benefit all New Yorkers by ensuring that our
19 buildings can play a vital role in decarbonization.

20 § 2. The real property tax law is amended by adding a new section
21 488-b to read as follows:

22 § 488-b. Abatement and exemption from real property taxes for capital
23 improvements to reduce carbon emissions. 1. Any city having a population
24 of one million or more, acting through its local legislative body, is
25 authorized and empowered to determine that incentives in the form of
26 abatement and/or exemption of real property taxes are necessary to

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

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1 encourage carbon emissions reduction in such city and to enact a local
2 law providing that such benefits shall be provided in the manner set
3 forth in this title.

4 2. For the purposes of this section, the following terms shall have
5 the following meanings:

6 (a) "Eligible real property" shall mean a covered building as defined
7 in section 28-320.1 of the administrative code of the city of New York,
8 or an appropriate subset of such covered buildings as determined by
9 local law.

10 (b) "Eligible improvements" shall include categories of work located
11 at eligible real property that are expected to result in a reduction of
12 greenhouse gas emissions for the building, including but not limited to
13 full or partial building electrification, building envelope improve-
14 ments, the installation of onsite clean energy generation, storage, or
15 electric vehicle charging infrastructure, or other measures that reduce
16 energy consumption as determined by local law provided however that such
17 work shall have commenced on or after January first, two thousand twen-
18 ty-two and shall be completed by December thirty-first, two thousand
19 twenty-nine.

20 (c) "Full or partial building electrification" shall mean the instal-
21 lation and use of energy efficient electric-based heating, cooling and
22 domestic hot water systems to displace the use of fossil fuel sources
23 (e.g. fuel oil, natural gas, district steam) and/or less efficient elec-
24 tric-based heating systems.

25 3. Eligible real property reconstructed, altered or improved subse-
26 quent to the effective date of this section shall, upon enactment of a
27 local law authorizing such exemption, be exempt from taxation and
28 special ad valorem levies to the extent provided in this section. Any
29 exemption and/or abatement permitted pursuant to this section shall take
30 effect no sooner than the July first next succeeding the effective date
31 of this section.

32 4. Subject to the provisions of local law, any increase in assessed
33 valuation of eligible real property resulting from eligible improvements
34 may be exempt from taxation for local purposes for a period of up to
35 twenty years.

36 5. Subject to the provisions of local law, an eligible real property
37 may be eligible for an abatement of real property taxes of no greater
38 than twenty years that shall not exceed the cost of the eligible
39 improvements.

40 6. Notwithstanding the provisions of any state or local law, rule or
41 regulation to the contrary, any exemption or abatement shall be avail-
42 able notwithstanding the receipt of any other benefit under state, local
43 or federal law.

44 7. During the period of tax exemption or abatement pursuant to this
45 section, the exemption or abatement may be revoked upon a violation of
46 applicable oversight laws, where an agency with jurisdiction to enforce
47 such laws has requested a suspension of abatement or exemption based
48 upon violations of the multiple dwelling law, the local building code
49 and the local housing maintenance code, or other applicable law or regu-
50 lation. The benefits of this section may be revoked or reduced upon a
51 finding by the agency with jurisdiction to enforce such laws that:

52 (a) the application for benefits hereunder contains a false statement
53 or false information as to a material matter or omits a material matter;

54 (b) real estate taxes, water and sewer charges, payments in lieu of
55 taxes or other municipal charges are due and owing for more than one
56 year;

1 (c) the eligible real property fails to submit a report to the New
2 York city department of buildings as required by section 28-320.3.7 of
3 the administrative code of the city of New York; or

4 (d) after receiving notice of such a failure, that such owner has
5 failed to cure the deficiency within ninety days.

6 8. The local agencies of government charged with the administration of
7 this section may promulgate rules and regulations to carry out the
8 provisions of this section.

9 § 3. This act shall take effect immediately and shall expire and be
10 deemed repealed December 31, 2029.