

STATE OF NEW YORK

9014

IN ASSEMBLY

February 2, 2024

Introduced by M. of A. RA -- read once and referred to the Committee on Real Property Taxation

AN ACT to amend the real property tax law, in relation to excluding privately owned water-works corporations from special franchise taxes

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

1 Section 1. Subdivision 17 of section 102 of the real property tax law,
2 as amended by chapter 569 of the laws of 1996, is amended to read as
3 follows:
4 17. "Special franchise" means the franchise, right, authority or
5 permission to construct, maintain or operate in, under, above, upon or
6 through any public street, highway, water or other public place mains,
7 pipes, tanks, conduits, wires or transformers, with their appurtenances,
8 for conducting water, steam, light, power, electricity, gas or other
9 substance. For purposes of assessment and taxation a special franchise
10 shall include the value of the tangible property situated in, under,
11 above, upon or through any public street, highway, water or other public
12 place in connection therewith. The term special franchise shall not
13 include central office equipment or station equipment (except public
14 telephone terminal equipment) which first appears on assessment rolls
15 prepared on the basis of taxable status dates occurring on or after
16 October first, nineteen hundred ninety-five and which is owned by a
17 telephone company as defined in paragraph (d) of subdivision twelve of
18 this section, or owned by a telephone corporation as defined in subdivi-
19 sion seventeen of section two of the public service law and certified by
20 the public service commission under section ninety-nine of such law, nor
21 shall it include property of a municipal corporation, public benefit
22 corporation or special district, nor shall it include a crossing less
23 than two hundred fifty feet in length of a public street, highway, water
24 or other public place outside a city or village, unless such crossing be
25 the continuation of an occupancy of another public street, highway,
26 water or other public place. The term "special franchise" shall also
27 not include any water system property owned by a private water-works

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

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1 corporation, as such terms are defined in section two of the public
2 service law.

3 § 2. Section 485-d of the real property tax law, as added by chapter
4 726 of the laws of 1985, is amended to read as follows:

5 § 485-d. Water-works corporations. 1. Real property situated in a city
6 with a population of one million or more owned by a water-works corpo-
7 ration subject to the provisions of the public service law and used
8 exclusively for the sale, furnishing and distribution of water for
9 domestic, commercial and public purposes, shall be wholly or partially
10 exempt from taxation provided that the local legislative body of such
11 city within which such property is situated adopts a local law so
12 providing.

13 2. Real property owned by a private water-works corporation subject to
14 the provisions of the public service law and used exclusively for the
15 sale, furnishing and distribution of water for domestic, commercial and
16 public purposes, shall be wholly or partially exempt from taxation under
17 article six of this chapter, provided that the local legislative body of
18 such city, county, town, village or school district within which such
19 property is situated adopts a local law so providing.

20 § 3. For purposes of this act, any tax relief realized by a private
21 water-works corporation shall be used to reduce current water rates and
22 offset future water rate increases.

23 § 4. This act shall take effect immediately.