STATE OF NEW YORK

9656

IN ASSEMBLY

January 21, 2026

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

AN ACT to amend the public health law and the real property tax law, in relation to authorizing real property taxing jurisdictions to grant a tax exemption for a primary residence purchased by a clinician in a clinician shortage area; and to amend the real property tax law, in relation to providing state aid to such jurisdictions for the savings granted by such exemption

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

Section 1. Legislative findings and intent. The legislature hereby finds that several communities within the state, particularly those located within rural areas, lack adequate access to clinicians. It is well established that ensuring the sufficient availability of physicians, physician assistants, nurse practitioners, and nurse midwives directly benefits the health of state residents, and the legislature has enacted several measures towards that end.

Furthermore, the legislature finds that municipalities are often best situated to evaluate the needs of their communities. Therefore, it is the intent of the legislature to offer counties, cities, towns, villages and school districts the option to provide real property tax exemptions, should they determine that such an incentive would aid in attracting clinicians to areas currently underserved by the medical community.

§ 2. Section 206 of the public health law is amended by adding a new subdivision 32 to read as follows:

32. (a) The commissioner shall biennially designate and make available a list of designated clinician shortage areas in the state. A designated clinician shortage area shall be a county or other sub-county geographic area determined by the commissioner to be in short supply of clinicians in primary care practice and/or one or more medical specialities. The list shall indicate for each designated clinician shortage area, if the area is in short supply of primary care physicians, medical specialty physicians and which medical specialty is in short supply in the desig-

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

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nated shortage area, physician assistants, nurse practitioners, and nurse midwives.

(b) In establishing designated clinician shortage areas, the commissioner, to the extent practicable, shall utilize criteria consistent with the criteria utilized to make awards for the physician practice support program established pursuant to paragraph (e) of subdivision five-a of section twenty-eight hundred seven-m of this chapter.

(c) For the purposes of this subdivision, "medical specialty or specialty area" shall mean the branch or branches of special competence within a physician's medical practice as evidenced by their certification by a speciality medical board acceptable to the commissioner.

(d) For the purposes of this subdivision, "clinician" shall mean a physician, physician assistant, nurse practitioner, or nurse midwife.

§ 3. The real property tax law is amended by adding a new section 439 to read as follows:

§ 439. Real property tax exemptions in designated clinician shortage area. 1. A municipal corporation or school district may exempt real property purchased by a clinician for use solely as their primary residence, to the extent provided in this section, from taxation by such municipal corporation or school district if the clinician resides in and has an office located within a clinician shortage area as designated by the commissioner of health pursuant to subdivision thirty-two of section two hundred six of the public health law. After a public hearing, the governing body of a municipal corporation may adopt a local law, and the board of a school district, other than a school district subject to article fifty-two of the education law, may adopt a resolution, to grant the exemption authorized pursuant to this section.

2. Exemptions provided pursuant to subdivision one of this section shall only apply to real property purchased on or after the effective date of this section, and the subsequent enactment of a local law or adoption of a resolution to grant such real property tax exemption.

3. Any local law or resolution adopted pursuant to subdivision one of this section shall establish the duration and percentage of such an exemption, which shall exceed neither a period of five years nor thirty-five percent of the property's assessed value. Such local law or resolution may include other conditions or restrictions, including but not limited to provisions regarding the maximum value of eligible property, at the discretion of the promulgating municipal corporation or school district.

4. A copy of such local laws or resolutions shall be filed with the state board and the assessor for such municipal corporation or school district who prepares the assessment roll upon which the taxes of such municipal corporation or school district are levied.

§ 4. The real property tax law is amended by adding a new section 985 to read as follows:

§ 985. Effect of exemption in designated clinician shortage areas. 1. In a municipal corporation or school district which elects to provide the real property tax exemption in a designated clinician shortage area pursuant to section four hundred thirty-nine of this chapter, the amount of taxes to be levied for any tax year or school year, as the case may be, shall be determined without regard to the fact that state aid will be payable pursuant to this section. In addition, the tax rate for any such year shall be determined as if no parcels are exempt from taxation pursuant to section four hundred thirty-nine of this chapter. However, the tax rate so determined shall be applied to the taxable assessed value of each parcel after accounting for all applicable exemptions,

including the exemption authorized by section four hundred thirty-nine of this chapter.

2. The tax savings for each parcel receiving the exemption authorized by section four hundred thirty-nine of this chapter shall be computed by subtracting the amount actually levied against the parcel from the amount that would have been levied if not for the exemption.

3. (a) The total tax savings duly provided by a municipal corporation or school district pursuant to this section shall be a state charge, which shall be payable as provided in this subdivision.

(b) A municipal corporation or school district seeking state aid pursuant to this subdivision shall submit an application therefor to the commissioner. The application shall include such information as the commissioner shall require.

(c) Upon approving an application for state aid pursuant to this subdivision, the commissioner shall compute and certify the amount payable to a municipal corporation or school district. Such state aid shall be payable upon the audit and warrant of the state comptroller from vouchers certified and approved by the commissioner.

§ 5. This act shall take effect immediately and shall apply to tax years beginning on or after the first of March next succeeding such effective date; or in the case of municipal taxing authorities which have a taxable status date other than March first established by charter, this act shall take effect with the first establishment of the taxable status of real property in the municipality next succeeding the effective date of this act.