

STATE OF NEW YORK

2320

2025-2026 Regular Sessions

IN SENATE

January 16, 2025

Introduced by Sen. FAHY -- 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 changing the amount of the exemption permitted for capital improvements to residential buildings

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

1 Section 1. Subparagraph (iii) of paragraph (a) of subdivision 2 of
2 section 421-f of the real property tax law, as amended by section 3 of
3 part WW of chapter 55 of the laws of 2021, is amended to read as
4 follows:
5 (iii) [~~Except~~] For exemptions granted pursuant to this section and
6 authorized by a local law or resolution adopted prior to January first,
7 two thousand twenty-six, except in a special assessing unit that is not
8 a city, such exemption shall be limited to eighty thousand dollars in
9 increased market value, or such other sum less than eighty thousand
10 dollars, but not less than five thousand dollars as may be provided by
11 the local law or resolution, of the property attributable to such recon-
12 struction, alteration or improvement and any increase in market value
13 greater than such amount shall not be eligible for the exemption pursu-
14 ant to this section. In a special assessing unit that is not a city,
15 [~~the exemption shall be limited to seven hundred fifty thousand dollars~~
16 ~~in increased market value~~] for exemptions granted pursuant to this
17 section and authorized by a local law or resolution adopted on or after
18 January first, two thousand twenty-six, such exemption shall be limited
19 to two hundred thousand dollars in increased market value, or such other
20 sum less than two hundred thousand dollars, but not less than five thou-
21 sand dollars as may be provided by the local law or resolution, of the
22 property attributable to such reconstruction, alteration or improvement
23 and any increase in market value greater than such amount shall not be

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

LBD04819-01-5

1 eligible for the exemption pursuant to this section. For the purposes
2 of this section, the market value of the reconstruction, alteration or
3 improvement, or new construction as authorized by subdivision one-a of
4 this section, shall be equal to the increased assessed value attribut-
5 able to such reconstruction, alteration, improvement or new construction
6 divided by the class one ratio in a special assessing unit or the most
7 recently established state equalization rate or special equalization
8 rate in the remainder of the state, except where the state equalization
9 rate or special equalization rate equals or exceeds ninety-five percent,
10 in which case the increase in assessed value attributable to such recon-
11 struction, alteration, improvement or new construction shall be deemed
12 to equal the market value of such reconstruction, alteration or improve-
13 ment.

14 § 2. Subparagraph (iii) of paragraph (a) of subdivision 2 of section
15 421-f of the real property tax law, as amended by chapter 590 of the
16 laws of 1994, is amended to read as follows:

17 (iii) [~~Such~~] For exemptions granted pursuant to this section and
18 authorized by a local law or resolution adopted prior to January first,
19 two thousand twenty-six, such exemption shall be limited to eighty thou-
20 sand dollars in increased market value, or such other sum less than
21 eighty thousand dollars, but not less than five thousand dollars as may
22 be provided by the local law or resolution, of the property attributable
23 to such reconstruction, alteration or improvement and any increase in
24 market value greater than such amount shall not be eligible for the
25 exemption pursuant to this section. For exemptions granted pursuant to
26 this section and authorized by a local law or resolution adopted on or
27 after January first, two thousand twenty-six, such exemption shall be
28 limited to two hundred thousand dollars in increased market value, or
29 such other sum less than two hundred thousand dollars, but not less than
30 five thousand dollars as may be provided by the local law or resolution,
31 of the property attributable to such reconstruction, alteration or
32 improvement and any increase in market value greater than such amount
33 shall not be eligible for the exemption pursuant to this section. For
34 the purposes of this section, the market value of the reconstruction,
35 alteration or improvement shall be equal to the increased assessed value
36 attributable to such reconstruction, alteration or improvement divided
37 by the class I ratio in a special assessing unit or the most recently
38 established state equalization rate or special equalization rate in the
39 remainder of the state, except where the state equalization rate or
40 special equalization rate equals or exceeds ninety-five percent, in
41 which case the increase in assessed value attributable to such recon-
42 struction, alteration or improvement shall be deemed to equal the market
43 value of such reconstruction, alteration or improvement.

44 § 3. This act shall take effect immediately; provided, however, that
45 the amendments to subdivision 2 of section 421-f of the real property
46 tax law made by section one of this act shall be subject to the expira-
47 tion and reversion of such subdivision pursuant to section 7 of part WW
48 of chapter 55 of the laws of 2021, as amended, when upon such date the
49 provisions of section two of this act shall take effect.