STATE OF NEW YORK

2320--A

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 -- recommitted to the Committee on Housing, Construction and Community Development in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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:

Section 1. Subparagraph (iii) of paragraph (a) of subdivision 2 of section 421-f of the real property tax law, as amended by chapter 590 of the laws of 1994, is amended to read as follows:

(iii) [~~Such~~] **For exemptions granted pursuant to this section and authorized by a local law or resolution adopted prior to January first, two thousand twenty-six, such** exemption shall be limited to eighty thousand dollars in increased market value, or such other sum less than eighty thousand dollars, but not less than five thousand dollars as may be provided by the local law or resolution, of the property attributable to such reconstruction, alteration or improvement and any increase in market value greater than such amount shall not be eligible for the exemption pursuant to this section. **For exemptions granted pursuant to this section and authorized by a local law or resolution adopted on or after January first, two thousand twenty-six, such exemption shall be limited to two hundred thousand dollars in increased market value, or such other sum less than two hundred thousand dollars, but not less than five thousand dollars as may be provided by the local law or resolution, of the property attributable to such reconstruction, alteration or improvement and any increase in market value greater than such amount shall not be eligible for the exemption pursuant to this section.** For

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

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the purposes of this section, the market value of the reconstruction, alteration or improvement shall be equal to the increased assessed value attributable to such reconstruction, alteration or improvement divided by the class I ratio in a special assessing unit or the most recently established state equalization rate or special equalization rate in the remainder of the state, except where the state equalization rate or special equalization rate equals or exceeds ninety-five percent, in which case the increase in assessed value attributable to such reconstruction, alteration or improvement shall be deemed to equal the market value of such reconstruction, alteration or improvement.

§ 2. This act shall take effect immediately.