STATE OF NEW YORK

6169

2025-2026 Regular Sessions

IN SENATE

March 6, 2025

Introduced by Sen. PARKER -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government

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:

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

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

§ 488-b. Abatement and exemption from real property taxes for capital improvements to reduce carbon emissions. 1. Any city having a population

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

LBD10674-01-5

of one million or more, acting through its local legislative body, is authorized and empowered to determine that incentives in the form of abatement and/or exemption of real property taxes are necessary to encourage carbon emissions reduction in such city and to enact a local law providing that such benefits shall be provided in the manner set forth in this title.

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

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

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

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

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

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

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

6. Notwithstanding the provisions of any state or local law, rule or regulation to the contrary, any exemption or abatement shall be available notwithstanding the receipt of any other benefit under state, local or federal law.

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

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

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

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

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

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

§ 3. This act shall take effect immediately and shall expire and be deemed repealed December 31, 2030.