S T A T E O F N E W Y O R K

10593

I N A S S E M B L Y

April 8, 2010

Introduced by M. of A. GALEF -- (at request of the State Board of Real Property Services) -- read once and referred to the Committee on Real Property Taxation

AN ACT to amend the real property tax law and the real property law, in relation to authorizing the use of class tax rates in certain assessing units

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Subdivision 1 of section 1902 of the real property tax law, as amended by chapter 355 of the laws of 1997, is amended and a new subdivision 5 is added to read as follows:

1. [Whenever] SUBJECT TO THE PROVISIONS OF SUBDIVISION FIVE OF THIS SECTION, WHENEVER an assessing unit other than a special assessing unit or an approved assessing unit which has or has had in effect a local law adopted pursuant to subdivision one of section nineteen hundred three of this article undertakes a revaluation or an update, the governing body of such assessing unit may apply to the state board for certification or recertification as an "approved assessing unit". The state board shall monitor the progress of such revaluation or update for the purpose of determining whether or not such assessing unit will be eligible for certification or recertification as an approved assessing unit.

5. NO NEW APPROVED ASSESSING UNITS SHALL BE CERTIFIED AFTER DECEMBER THIRTY-FIRST, TWO THOUSAND TEN.

S 2. Section 1903 of the real property tax law is amended by adding a new subdivision 11 to read as follows:

11. ELECTION OF HOMESTEAD ASSESSING UNIT OPTION. THE GOVERNING BODY OF AN APPROVED ASSESSING UNIT MAY ELECT TO ADOPT THE PROVISIONS OF ARTICLE NINETEEN-A OF THIS CHAPTER IN THE MANNER PROVIDED BY SECTION NINETEEN HUNDRED EIGHTEEN OF SUCH ARTICLE, IN WHICH CASE THE PROVISIONS OF THIS ARTICLE SHALL NO LONGER BE APPLICABLE THERETO.

S 3. The real property tax law is amended by adding a new article 19-A to read as follows:

ARTICLE 19-A

CLASS TAX RATES IN HOMESTEAD TAX DISTRICTS

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

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SECTION 1911. DEFINITIONS.
1912. ESTABLISHMENT OF HOMESTEAD ASSESSING UNITS.
1913. USE OF CLASS TAX RATES.
1914. FOUR-YEAR CYCLE.
1915. TERMINATION.
1916. NOTIFICATION REQUIREMENTS.
1917. STANDARD OF ASSESSMENT TO REMAIN APPLICABLE.
1918. ELECTION BY APPROVED ASSESSING UNITS.

S 1911. DEFINITIONS. FOR PURPOSES OF THIS ARTICLE: 1. "ELIGIBLE SPLIT TAX DISTRICT" MEANS (A) A SCHOOL DISTRICT LOCATED IN MORE THAN ONE CITY OR TOWN, WHERE ONE-FIFTH OR MORE OF THE PARCELS IN THE FIRST YEAR IN THE SCHOOL DISTRICT ARE LOCATED IN ONE OR MORE HOMESTEAD ASSESSING UNITS, EXCEPT A VILLAGE, OR (B) A VILLAGE LOCATED IN MORE THAN ONE TOWN AND WHICH HAS ADOPTED THE PROVISIONS OF SUBDIVISION THREE OF SECTION FOUR-TEEN HUNDRED TWELVE OF THIS CHAPTER, WHERE ONE-FIFTH OR MORE OF THE PARCELS IN THE FIRST YEAR IN THE VILLAGE ARE LOCATED IN ONE OR MORE HOMESTEAD ASSESSING UNITS.

2. (A) "HOMESTEAD CLASS" MEANS:

(1) ALL ONE, TWO OR THREE FAMILY DWELLING RESIDENTIAL REAL PROPERTY, INCLUDING SUCH DWELLINGS USED IN PART FOR NONRESIDENTIAL PURPOSES BUT WHICH ARE USED PRIMARILY FOR RESIDENTIAL PURPOSES, AND FARM DWELLINGS;

(2) ALL OTHER RESIDENTIAL REAL PROPERTY CONSISTING OF MORE THAN THREE DWELLING UNITS HELD IN CONDOMINIUM FORM OF OWNERSHIP WHERE NO SUCH DWELLING UNIT PREVIOUSLY WAS ON AN ASSESSMENT ROLL AS A DWELLING UNIT IN OTHER THAN CONDOMINIUM FORM OF OWNERSHIP;

(3) ALL OTHER RESIDENTIAL REAL PROPERTY CONSISTING OF MORE THAN THREE DWELLING UNITS HELD IN CO-OPERATIVE FORM OF OWNERSHIP;

(4) ALL VACANT LAND PARCELS LOCATED IN AN ASSESSING UNIT WHICH HAS A ZONING LAW OR ORDINANCE IN EFFECT, PROVIDED THAT SUCH PARCEL IS LOCATED IN A ZONE THAT DOES NOT ALLOW A RESIDENTIAL USE OTHER THAN THAT DESCRIBED IN SUBPARAGRAPH ONE OF THIS PARAGRAPH, PROVIDED FURTHER, THAT SUCH PARCEL DOES NOT EXCEED TEN ACRES;

(5) LAND USED IN AGRICULTURAL PRODUCTION WHICH IS ELIGIBLE FOR AN AGRICULTURAL ASSESSMENT PURSUANT TO SECTION THREE HUNDRED FIVE OR THREE HUNDRED SIX OF THE AGRICULTURE AND MARKETS LAW, WHERE THE OWNER OF SUCH LAND HAS FILED AN ANNUAL APPLICATION FOR AN AGRICULTURAL ASSESSMENT, AND FARM BUILDINGS AND STRUCTURES THEREON, AS DEFINED IN SUBDIVISION THREE OF SECTION FOUR HUNDRED EIGHTY-THREE OF THIS CHAPTER; AND

(6) IF THE HOMESTEAD ASSESSING UNIT ADOPTS A LOCAL LAW SO PROVIDING, RESIDENTIAL PROPERTY CONTAINING FOUR OR MORE DWELLING UNITS; AND

(7) IF THE HOMESTEAD ASSESSING UNIT ADOPTS A LOCAL LAW SO PROVIDING, COMMERCIAL PROPERTY WITHIN A SPECIFIC GEOGRAPHICAL AREA AS DELINEATED WITHIN SUCH LOCAL LAW.

(B) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (G) OF SUBDIVISION TWELVE OF SECTION ONE HUNDRED TWO OF THIS CHAPTER, A MOBILE HOME OR TRAILER THAT DOES NOT QUALIFY AS A HOMESTEAD UNDER SUBPARAGRAPH FIVE OF PARAGRAPH (A) OF THIS SUBDIVISION SHALL NOT CONSTITUTE A HOMESTEAD FOR PURPOSES OF THIS ARTICLE UNLESS IT IS OWNER-OCCUPIED AND SEPARATELY ASSESSED.

3. "NON-HOMESTEAD CLASS" MEANS ALL PROPERTY NOT INCLUDED IN THE HOME-STEAD CLASS.

4. "TAX" MEANS FOR THE PURPOSES OF THIS ARTICLE A CHARGE IMPOSED UPON REAL PROPERTY BY OR ON BEHALF OF A COUNTY, CITY, TOWN, VILLAGE OR SCHOOL DISTRICT FOR MUNICIPAL OR SCHOOL DISTRICT PURPOSES, BUT DOES NOT INCLUDE A SPECIAL ASSESSMENT.

S 1912. ESTABLISHMENT OF HOMESTEAD ASSESSING UNITS. 1. THE GOVERNING BODY OF AN ASSESSING UNIT WHICH IS IMPLEMENTING A REVALUATION AT ONE HUNDRED PERCENT OF VALUE MAY APPLY TO THE STATE BOARD FOR CERTIFICATION OF ITS REVALUATION AS BEING HOMESTEAD-COMPLIANT. SUCH APPLICATION SHALL BE SUBMITTED AT LEAST ONE HUNDRED TWENTY DAYS BEFORE THE COMPLETION OF THE TENTATIVE ASSESSMENT ROLL UPON WHICH THE REVALUATION SHALL BE IMPLEMENTED, PROVIDED THAT THE BOARD MAY ACCEPT AN APPLICATION AFTER THAT DEADLINE IF CIRCUMSTANCES WARRANT. THE BOARD SHALL CERTIFY THE REVALUATION AS BEING HOMESTEAD-COMPLIANT IF IT ISSUES OR EXPECTS TO ISSUE A TENTATIVE STATE EQUALIZATION RATE OF ONE HUNDRED FOR THE ASSESSMENT ROLL IN QUESTION, PROVIDED THAT SUCH CERTIFICATION SHALL BE NULLIFIED IF THE BOARD SHOULD ISSUE A TENTATIVE OR FINAL STATE EQUALIZATION RATE OF OTHER THAN ONE HUNDRED FOR THE ASSESSMENT ROLL IN QUESTION.

2. UPON RECEIVING SUCH CERTIFICATION, THE GOVERNING BODY OF THE ASSESSING UNIT MAY ADOPT A RESOLUTION DIRECTING THE ASSESSOR TO CLASSIFY ALL TAXABLE REAL PROPERTY AS HOMESTEAD OR NON-HOMESTEAD, AS THE CASE MAY BE, BEGINNING WITH THE TENTATIVE ASSESSMENT ROLL ON WHICH THE REVALUATION IS TO BE IMPLEMENTED.

3. SUCH RESOLUTION SHALL BE ADOPTED NO LATER THAN NINETY DAYS BEFORE THE COMPLETION OF THE TENTATIVE ASSESSMENT ROLL ON WHICH THE REVALUATION IS TO BE IMPLEMENTED.

4. UPON THE ADOPTION OF SUCH A RESOLUTION, THE ASSESSING UNIT SHALL BE CONSIDERED A "HOMESTEAD ASSESSING UNIT" FOR PURPOSES OF THIS ARTICLE.

5. (A) NO LATER THAN TEN DAYS AFTER THE ADOPTION OF SUCH A RESOLUTION, THE CLERK OF THE GOVERNING BODY OF THE HOMESTEAD ASSESSING UNIT SHALL FILE A COPY THEREOF WITH THE CHIEF EXECUTIVE OFFICER OF EACH MUNICIPAL CORPORATION WHICH LEVIES TAXES UPON THE ASSESSMENT ROLL OF THE HOMESTEAD ASSESSING UNIT.

(B) IF THE MUNICIPAL CORPORATION IS AN ELIGIBLE SPLIT TAX DISTRICT, ITS GOVERNING BODY MAY ADOPT A RESOLUTION DIRECTING THE ASSESSOR OF EACH NON-HOMESTEAD ASSESSING UNIT IN WHICH IT IS LOCATED TO CLASSIFY THE TAXABLE REAL PROPERTY WITHIN ITS BORDERS AS HOMESTEAD OR NON-HOMESTEAD, AS THE CASE MAY BE. SUCH RESOLUTION SHALL BE ADOPTED NO LATER THAN THIRTY DAYS BEFORE THE TAXABLE STATUS DATE OF THE FIRST ASSESSMENT ROLL TO WHICH IT IS TO APPLY, AND A COPY THEREOF SHALL BE FILED WITH THE AFFECTED ASSESSOR OR ASSESSORS NO LATER THAN TEN DAYS AFTER SUCH ADOPTION.

6. CLASSIFICATIONS ASSIGNED TO PARCELS BY AN ASSESSOR PURSUANT TO THIS SECTION SHALL BE SUBJECT TO ADMINISTRATIVE AND JUDICIAL REVIEW AS PROVIDED BY LAW.

S 1913. USE OF CLASS TAX RATES. 1. A MUNICIPAL CORPORATION WHICH LEVIES TAXES UPON THE ASSESSMENT ROLL OF A HOMESTEAD ASSESSING UNIT AND WHICH MEETS THE ELIGIBILITY CRITERIA SPECIFIED HEREIN MAY ADOPT A LOCAL LAW WITHOUT REFERENDUM, OR IN THE CASE OF A SCHOOL DISTRICT A RESOLUTION, DECLARING ITSELF TO BE A HOMESTEAD TAX DISTRICT FOR PURPOSES OF THIS ARTICLE. SUCH LOCAL LAW OR RESOLUTION SHALL BE ADOPTED NO LATER THAN SIXTY DAYS BEFORE THE LAST DATE PRESCRIBED BY LAW FOR THE LEVY OF TAXES TO WHICH SUCH LOCAL LAW OR RESOLUTION IS TO APPLY.

2. A MUNICIPAL CORPORATION SHALL BE ELIGIBLE TO ADOPT SUCH A LOCAL LAW OR RESOLUTION IF AND ONLY IF:

(A) IT IS A HOMESTEAD ASSESSING UNIT; OR

(B) IT IS WHOLLY CONTAINED WITHIN ONE OR MORE HOMESTEAD ASSESSING UNITS; OR

(C) IT IS AN ELIGIBLE SPLIT TAX DISTRICT AND HAS FILED WITH EACH AFFECTED ASSESSOR A COPY OF ITS CLASSIFICATION RESOLUTION AS REQUIRED BY

PARAGRAPH (B) OF SUBDIVISION FIVE OF SECTION NINETEEN HUNDRED TWELVE OF THIS ARTICLE.

3. THE GOVERNING BODY OF A HOMESTEAD TAX DISTRICT MAY ANNUALLY ESTABLISH SEPARATE CLASS TAX RATES FOR EACH FISCAL YEAR BY RESOLUTION OF ITS GOVERNING BODY ADOPTED NO LATER THAN THE DATE ON WHICH THE BUDGET FOR THAT FISCAL YEAR IS APPROVED PURSUANT TO LAW. THE CLASS TAX RATES SO ESTABLISHED SHALL RESULT IN THE IMPOSITION UPON THE RESPECTIVE CLASSES THE TOTAL TAX REVENUES REQUIRED BY SUCH BUDGET, SUBJECT TO THE FOLLOWING:

(A) THE NON-HOMESTEAD CLASS TAX RATE MAY BE EQUAL TO THE HOMESTEAD CLASS TAX RATE, OR IT MAY EXCEED THE HOMESTEAD CLASS TAX RATE BY A PERCENTAGE TO BE DETERMINED BY THE GOVERNING BODY EITHER BY LOCAL LAW OR ANNUAL RESOLUTION, PROVIDED THAT SUCH PERCENTAGE SHALL BE NO GREATER THAN TWENTY-FIVE PERCENT, SUBJECT TO THE TRANSITIONAL PROVISION SET FORTH IN SUBDIVISION FOUR OF THIS SECTION IF APPLICABLE. THE GOVERNING BODY MAY ALSO ADOPT A LOCAL LAW PROVIDING THAT THE NON-HOMESTEAD CLASS TAX RATE SHALL BE EQUAL TO THE HOMESTEAD CLASS TAX RATE, IN WHICH CASE THE SAME TAX RATE SHALL APPLY TO BOTH CLASSES AS LONG AS SUCH LOCAL LAW SHALL BE IN EFFECT. IN NO CASE MAY THE HOMESTEAD CLASS TAX RATE EXCEED THE NON-HOMESTEAD CLASS TAX RATE.

(B) IF THE GOVERNING BODY SHOULD FAIL TO ADOPT CLASS TAX RATES FOR ANY FISCAL YEAR, THE CLASS TAX RATES FOR THAT FISCAL YEAR SHALL BEAR THE SAME RELATIONSHIP TO ONE ANOTHER AS THEY DID IN THE PRIOR FISCAL YEAR.

(C) THE CLASS TAX RATES ESTABLISHED BY A HOMESTEAD TAX DISTRICT SHALL ONLY APPLY TO THE TAXES IMPOSED BY IT OR ON ITS BEHALF, AND TO ANY SPECIAL AD VALOREM LEVIES IMPOSED BY OR ON BEHALF OF ANY SPECIAL DISTRICTS THAT MAY HAVE BEEN ESTABLISHED BY THE HOMESTEAD TAX DISTRICT. THE CLASS TAX RATES ESTABLISHED FOR ANY SUCH SPECIAL DISTRICT NEED NOT BEAR THE SAME RELATIONSHIP TO ONE ANOTHER AS THEY DO FOR THE HOMESTEAD TAX DISTRICT OR FOR ANY OTHER SUCH SPECIAL DISTRICT.

(D) IN THE CASE OF AN ELIGIBLE SPLIT TAX DISTRICT, THE GOVERNING BODY SHALL EQUALIZE THE CLASS TAX RATES SO AS TO ENSURE THAT THERE IS A SINGLE EFFECTIVE FULL VALUE TAX RATE FOR THE HOMESTEAD CLASS, AND A SINGLE EFFECTIVE FULL VALUE TAX RATE FOR THE NON-HOMESTEAD CLASS. FOR PURPOSES OF THIS PROVISION, THE "EFFECTIVE FULL VALUE TAX RATE" IS THE TAX RATE THAT WOULD BE IMPOSED IF ALL PROPERTY WERE ASSESSED AT FULL VALUE.

4. THE OFFICER WHO COMPUTES TAX RATES FOR THE HOMESTEAD TAX DISTRICT SHALL COMPUTE A "BASELINE DIFFERENTIAL" AS PROVIDED HEREIN FOR THE HOMESTEAD TAX DISTRICT PRIOR TO ITS FIRST LEVY OF TAXES AS A HOMESTEAD TAX DISTRICT. IF THE BASELINE DIFFERENTIAL SO COMPUTED EXCEEDS TWENTY-FIVE PERCENT, THEN THE GOVERNING BODY OF THE HOMESTEAD TAX DISTRICT MAY ADOPT A RESOLUTION DIRECTING THAT THE LIMITATION IMPOSED BY PARAGRAPH (A) OF SUBDIVISION THREE OF THIS SECTION UPON THE DIFFERENCE BETWEEN THE NON-HOMESTEAD AND HOMESTEAD CLASS TAX RATES SHALL BE PHASED IN AS FOLLOWS:

(A) IN THE FISCAL YEAR IN WHICH TAXES ARE LEVIED UPON THE REVALUATION ROLL, THE DIFFERENCE BETWEEN THE NON-HOMESTEAD AND HOMESTEAD CLASS TAX RATES, EXPRESSED AS A PERCENTAGE, MAY BE GREATER THAN TWENTY-FIVE PERCENT BUT NO GREATER THAN THE BASELINE DIFFERENTIAL.

(B) EACH YEAR THEREAFTER, THE DIFFERENCE BETWEEN THE NON-HOMESTEAD CLASS TAX RATE AND ONE HUNDRED TWENTY-FIVE PERCENT OF THE HOMESTEAD CLASS TAX RATE SHALL BE DECREASED AT SUCH A RATE AS WILL SERVE TO TOTALLY ELIMINATE THE DIFFERENCE OVER THE TRANSITIONAL PERIOD PRESCRIBED HEREIN.

(1) IF THE BASELINE DIFFERENTIAL IS GREATER THAN TWENTY-FIVE PERCENT BUT LESS THAN FIFTY PERCENT, THE TRANSITIONAL PERIOD SHALL BE TEN YEARS.

(2) IF THE BASELINE DIFFERENTIAL IS GREATER THAN FIFTY PERCENT BUT LESS THAN ONE HUNDRED PERCENT, THE TRANSITIONAL PERIOD SHALL BE FIFTEEN YEARS.

(3) IF THE BASELINE DIFFERENTIAL IS GREATER THAN ONE HUNDRED PERCENT, THE TRANSITIONAL PERIOD SHALL BE TWENTY YEARS.

(C) THE BASELINE DIFFERENTIAL SHALL BE DETERMINED AS FOLLOWS:

(1) DETERMINE THE TOTAL ASSESSED VALUE OF THE PROPERTY IN THE HOMESTEAD CLASS ON THE REVALUATION ASSESSMENT ROLL, AFTER ACCOUNTING FOR PHYSICAL CHANGES BETWEEN THE REVALUATION ASSESSMENT ROLL AND THE PRIOR ASSESSMENT ROLL.

(2) DETERMINE THE TOTAL ASSESSED VALUE OF THE PROPERTY IN THE HOMESTEAD CLASS ON THE PRIOR ASSESSMENT ROLL.

(3) DIVIDE THE RESULT OBTAINED IN SUBPARAGRAPH ONE OF THIS PARAGRAPH BY THE RESULT OBTAINED IN SUBPARAGRAPH TWO OF THIS PARAGRAPH.

(4) DETERMINE THE TOTAL ASSESSED VALUE OF THE PROPERTY IN THE NON-HOMESTEAD CLASS ON THE REVALUATION ASSESSMENT ROLL, AFTER ACCOUNTING FOR PHYSICAL CHANGES BETWEEN THE REVALUATION ASSESSMENT ROLL AND THE PRIOR ASSESSMENT ROLL.

(5) DETERMINE THE TOTAL ASSESSED VALUE OF THE PROPERTY IN THE NON-HOMESTEAD CLASS ON THE PRIOR ASSESSMENT ROLL.

(6) DIVIDE THE RESULT OBTAINED IN SUBPARAGRAPH FOUR OF THIS PARAGRAPH BY THE RESULT OBTAINED IN SUBPARAGRAPH FIVE OF THIS PARAGRAPH.

(7) DETERMINE THE PERCENTAGE BY WHICH THE RESULT OBTAINED IN SUBPARAGRAPH THREE OF THIS PARAGRAPH EXCEEDS THE RESULT OBTAINED IN SUBPARAGRAPH SIX OF THIS PARAGRAPH. THE RESULT IS THE BASELINE DIFFERENTIAL.

S 1914. FOUR-YEAR CYCLE. 1. IN ORDER TO REMAIN A HOMESTEAD ASSESSING UNIT, AT LEAST ONCE IN EVERY FOUR-YEAR PERIOD THE HOMESTEAD ASSESSING UNIT MUST COMPLETE A REVALUATION AT ONE HUNDRED PERCENT OF VALUE WHICH IS CERTIFIED BY THE STATE BOARD AS BEING HOMESTEAD-COMPLIANT. IF IT FAILS TO DO SO, THE PROVISIONS OF THIS ARTICLE SHALL CEASE TO BE APPLICABLE TO THE ASSESSING UNIT AND TO THE MUNICIPAL CORPORATIONS WHICH LEVY TAXES UPON ITS ASSESSMENT ROLL; PROVIDED THAT THE PROVISIONS OF THIS ARTICLE SHALL REMAIN APPLICABLE TO ANY SUCH MUNICIPAL CORPORATION WHICH MAY BE CONSIDERED AN ELIGIBLE SPLIT TAX DISTRICT BECAUSE IT IS PARTIALLY LOCATED WITHIN A DIFFERENT ASSESSING UNIT THAT REMAINS A HOMESTEAD ASSESSING UNIT.

2. AN ASSESSING UNIT WHICH HAS CEASED TO BE A HOMESTEAD ASSESSING UNIT DUE TO THE PROVISIONS OF SUBDIVISION ONE OF THIS SECTION MAY REGAIN SUCH STATUS ON A PROSPECTIVE BASIS BY COMPLETING ANOTHER REVALUATION AT ONE HUNDRED PERCENT OF VALUE WHICH IS CERTIFIED BY THE STATE BOARD AS BEING HOMESTEAD-COMPLIANT.

S 1915. TERMINATION. 1. THE GOVERNING BODY OF A HOMESTEAD ASSESSING UNIT MAY ADOPT A RESOLUTION TERMINATING ITS STATUS AS A HOMESTEAD ASSESSING UNIT. WHERE SUCH A RESOLUTION HAS BEEN ADOPTED, THE PROVISIONS OF THIS ARTICLE SHALL CEASE TO BE APPLICABLE TO THE ASSESSING UNIT AND TO THE MUNICIPAL CORPORATIONS WHICH LEVY TAXES UPON ITS ASSESSMENT ROLL; PROVIDED THAT THE PROVISIONS OF THIS ARTICLE SHALL REMAIN APPLICABLE TO ANY SUCH MUNICIPAL CORPORATION WHICH MAY BE CONSIDERED AN ELIGIBLE SPLIT TAX DISTRICT BECAUSE IT IS PARTIALLY LOCATED WITHIN A DIFFERENT ASSESSING UNIT THAT REMAINS A HOMESTEAD ASSESSING UNIT.

2. THE GOVERNING BODY OF A HOMESTEAD TAX DISTRICT MAY ADOPT A RESOLUTION TERMINATING ITS STATUS AS A HOMESTEAD TAX DISTRICT. WHERE SUCH A RESOLUTION HAS BEEN ADOPTED, IT SHALL NO LONGER BE ELIGIBLE TO USE CLASS TAX RATES, AND ANY ASSESSOR WHO HAD BEEN REQUIRED TO CLASSIFY PROPERTY

AS HOMESTEAD OR NON-HOMESTEAD DUE TO THE STATUS OF THE MUNICIPAL CORPORATION AS A HOMESTEAD TAX DISTRICT SHALL NO LONGER BE REQUIRED TO DO SO.

3. AN ASSESSING UNIT WHICH HAS CEASED TO BE A HOMESTEAD ASSESSING UNIT DUE TO THE PROVISIONS OF SUBDIVISION ONE OF THIS SECTION MAY REGAIN SUCH STATUS ON A PROSPECTIVE BASIS BY COMPLETING ANOTHER REVALUATION AT ONE HUNDRED PERCENT OF VALUE WHICH IS CERTIFIED BY THE STATE BOARD AS BEING HOMESTEAD-COMPLIANT.

S 1916. NOTIFICATION REQUIREMENTS. IN ADDITION TO ANY OTHER REQUIREMENT IMPOSED BY LAW, A COPY OF ANY LOCAL LAW OR RESOLUTION ADOPTED PURSUANT TO THIS ARTICLE SHALL BE FILED WITH THE STATE BOARD WITHIN THIRTY DAYS AFTER SUCH ADOPTION.

S 1917. STANDARD OF ASSESSMENT TO REMAIN APPLICABLE. ALL PROPERTY IN A HOMESTEAD ASSESSING UNIT SHALL BE ASSESSED AS REQUIRED BY SUBDIVISION TWO OF SECTION THREE HUNDRED FIVE OF THIS CHAPTER. NOTHING CONTAINED IN THIS ARTICLE SHALL BE CONSTRUED TO AUTHORIZE ASSESSING THE HOMESTEAD CLASS AT A DIFFERENT PERCENTAGE OF VALUE THAN THE NON-HOMESTEAD CLASS.

S 1918. ELECTION BY APPROVED ASSESSING UNITS. 1. (A) ANY ASSESSING UNIT WHICH HAD BEEN CERTIFIED BY THE STATE BOARD PRIOR TO JANUARY FIRST, TWO THOUSAND ELEVEN AS AN APPROVED ASSESSING UNIT PURSUANT TO SECTION NINETEEN HUNDRED TWO OF THIS CHAPTER MAY ADOPT A LOCAL LAW DECLARING ITSELF TO BE BOTH A HOMESTEAD ASSESSING UNIT AND A HOMESTEAD TAX DISTRICT FOR PURPOSES OF THIS ARTICLE. SUCH A LOCAL LAW SHALL BE ADOPTED NO LATER THAN SIXTY DAYS BEFORE THE TAXABLE STATUS DATE OF THE FIRST ASSESSMENT ROLL TO WHICH IT IS TO APPLY. UPON THE ENACTMENT OF SUCH A LOCAL LAW, THE ASSESSING UNIT SHALL HAVE THE POWERS AND DUTIES CONFERRED UPON HOMESTEAD ASSESSING UNITS AND HOMESTEAD TAX DISTRICTS BY THIS ARTICLE, INCLUDING THE POWER TO ESTABLISH CLASS TAX RATES PURSUANT TO SECTION NINETEEN HUNDRED THIRTEEN OF THIS ARTICLE; PROVIDED THAT NOTWITHSTANDING THE PROVISIONS OF SECTION NINETEEN HUNDRED FOURTEEN OF THIS ARTICLE, A FORMER APPROVED ASSESSING UNIT SHALL NOT BE REQUIRED TO COMPLETE A HOMESTEAD-COMPLIANT REVALUATION UNTIL THE FOURTH ASSESSMENT ROLL PREPARED AFTER HAVING BECOME A HOMESTEAD ASSESSING UNIT.

(B) IF THE LOCAL LAW SO PROVIDES, THE ASSESSING UNIT MAY RETAIN WITHOUT CHANGE THE DEFINITION OF "HOMESTEAD CLASS" THAT APPLIED THEREIN PURSUANT TO SUBDIVISION THIRTEEN OF SECTION NINETEEN HUNDRED ONE OF THIS CHAPTER ON THE LAST DAY OF ITS DESIGNATION AS AN APPROVED ASSESSING UNIT.

2. ANY MUNICIPAL CORPORATION THAT NO LONGER QUALIFIES AS A "PORTION" OR AN "ELIGIBLE SPLIT TAX DISTRICT" DUE TO ADOPTION OF A LOCAL LAW PURSUANT TO SUBDIVISION ONE OF THIS SECTION SHALL BE CONSIDERED A HOMESTEAD TAX DISTRICT FOR PURPOSES OF THIS ARTICLE WITHOUT FURTHER ACTION ON ITS PART. AS SUCH, IT SHALL HAVE THE POWERS AND DUTIES CONFERRED UPON IT BY THIS ARTICLE, INCLUDING THE POWER TO ESTABLISH CLASS TAX RATES PURSUANT TO SECTION NINETEEN HUNDRED THIRTEEN OF THIS ARTICLE. FOR PURPOSES OF THIS SECTION, THE TERMS "PORTION" AND "ELIGIBLE SPLIT TAX DISTRICT" SHALL HAVE THE MEANINGS SET FORTH IN SECTION NINETEEN HUNDRED ONE OF THIS CHAPTER.

3. NOTWITHSTANDING THE PROVISIONS OF SUBDIVISION FOUR OF SECTION NINETEEN HUNDRED THIRTEEN OF THIS ARTICLE, THE "BASELINE DIFFERENTIAL" FOR A FORMER APPROVED ASSESSING UNIT, AND FOR ANY FORMER PORTION OR ELIGIBLE SPLIT TAX DISTRICT ASSOCIATED THEREWITH, SHALL BE COMPUTED BY DIVIDING ITS LATEST NON-HOMESTEAD TAX RATE BY ITS LATEST HOMESTEAD TAX RATE, AS DETERMINED FOR ITS FINAL LEVY OF TAXES UNDER ARTICLE NINETEEN OF THIS CHAPTER. IF THE BASELINE DIFFERENTIAL SO COMPUTED EXCEEDS TWENTY-FIVE PERCENT, THEN THE GOVERNING BODY OF THE HOMESTEAD TAX DISTRICT MAY ADOPT A RESOLUTION DIRECTING THAT THE LIMITATION IMPOSED BY PARAGRAPH (A) OF

SUBDIVISION THREE OF SECTION NINETEEN HUNDRED THIRTEEN OF THIS ARTICLE UPON THE DIFFERENCE BETWEEN THE NON-HOMESTEAD AND HOMESTEAD CLASS TAX RATES SHALL BE PHASED IN OVER TIME IN THE SAME MANNER AS IS PROVIDED IN SUBDIVISION FOUR OF SECTION NINETEEN HUNDRED THIRTEEN OF THIS ARTICLE.

S 4. Paragraph (d) of subdivision 1 of section 339-y of the real property law, as amended by chapter 218 of the laws of 1986, subparagraph (ii) as amended by chapter 223 of the laws of 1989, is amended to read as follows:

(d) The provisions of paragraph (b) of this subdivision shall not apply to such real property classified within:

(i) on and after January first, nineteen hundred eighty-six, class one of section one thousand eight hundred two of the real property tax law; [or]

(ii) on and after January first, nineteen hundred eighty-four, the homestead class of an approved assessing unit which has adopted the provisions of section one thousand nine hundred three of the real property tax law, or the homestead class of the portion outside an approved assessing unit of an eligible split school district which has adopted the provisions of section nineteen hundred three-a of the real property tax law; provided, however, that, in an approved assessing unit which adopted the provisions of section one thousand nine hundred three of the real property tax law prior to [the effective date of this subdivision] APRIL THIRTIETH, NINETEEN HUNDRED EIGHTY-THREE, paragraph (b) of this subdivision shall apply to all such real property (i) which is classified within the homestead class pursuant to paragraph one of subdivision (e) of section one thousand nine hundred one of the real property tax law and (ii) which, regardless of classification, was on the assessment roll prior to [the effective date of this subdivision] APRIL THIRTIETH, NINETEEN HUNDRED EIGHTY-THREE unless the governing body of such approved assessing unit provides by local law adopted after a public hearing, prior to the taxable status date of such assessing unit next occurring after December thirty-first, nineteen hundred eighty-three, that such paragraph (b) shall not apply to such real property to which this clause applies. Provided further, however, real property subject to the provisions of this subparagraph shall be assessed pursuant to subdivision two of section five hundred eighty-one of the real property tax law[.]; OR

(III) ON AND AFTER JANUARY FIRST, TWO THOUSAND ELEVEN, THE HOMESTEAD CLASS OF A HOMESTEAD TAX DISTRICT ESTABLISHED PURSUANT TO SECTION NINETEEN HUNDRED TWELVE OF THE REAL PROPERTY TAX LAW, PROVIDED THAT REAL PROPERTY SUBJECT TO THE PROVISIONS OF THIS SUBPARAGRAPH SHALL BE ASSESSED PURSUANT TO SUBDIVISION TWO OF SECTION FIVE HUNDRED EIGHTY-ONE OF THE REAL PROPERTY TAX LAW.

S 5. Subdivision 8 of section 425 of the real property tax law, as added by section 1 of part B of chapter 389 of the laws of 1997, is amended to read as follows:

8. Effect of exemption. The exemption authorized by this section shall have the effect specified in section one thousand three hundred six-a of this chapter. The exemption shall not be considered when determining state aid to education pursuant to section thirty-six hundred two of the education law, when determining school district debt limits pursuant to law, when determining the amount of taxes to be levied by or on behalf of a school district, when calculating tax rates for a school district, when apportioning taxes between or among school districts, when apportioning taxes among classes in a special assessing unit under article eighteen of this chapter, or when apportioning taxes between classes in

an approved assessing unit OR A HOMESTEAD TAX DISTRICT under article nineteen OR NINETEEN-A of this chapter.

S 6. Subdivision 1 of section 511 of the real property tax law, as amended by chapter 319 of the laws of 1998, is amended to read as follows:

1. In the year of a revaluation or update of assessments, the assessor shall, and in any other year may, not later than sixty days prior to the date set by law for the filing of the tentative assessment roll, mail to each owner of real property therein, an assessment disclosure notice in the format provided in paragraph (a) of subdivision two of this section. However, pursuant to a resolution adopted by the governing board of the assessing unit, other than a special assessing unit or an approved assessing unit which has adopted the provisions of section nineteen hundred three of this chapter OR A HOMESTEAD ASSESSING UNIT ESTABLISHED PURSUANT TO SECTION NINETEEN HUNDRED TWELVE OF THIS CHAPTER, such assessment disclosure notice shall include in lieu thereof the items specified in paragraph (b) of subdivision two of this section.

S 7. Paragraph (b) of subdivision 1 of section 581 of the real property tax law, as amended by chapter 223 of the laws of 1989, is amended to read as follows:

(b) The provisions of paragraph (a) of this subdivision shall not apply to such real property classified within:

(i) on and after January first, nineteen hundred eighty-six, class one of section one thousand eight hundred two of this chapter; [or]

(ii) on and after January first, nineteen hundred eighty-four, the homestead class of an approved assessing unit which has adopted the provisions of section one thousand nine hundred three of this chapter, or the homestead class of the portion outside an approved assessing unit of an eligible split school district which has adopted the provisions of section nineteen hundred three-a of this chapter; provided, however, that, in an approved assessing unit which adopted the provisions of section one thousand nine hundred three of this chapter prior to the effective date of this subdivision, paragraph (a) of this subdivision shall apply to all such real property (i) which is classified within the homestead class pursuant to [paragraph one of subdivision (e) of] section one thousand nine hundred one of this chapter and (ii) which, regardless of classification, was on the assessment roll prior to [the effective date of this subdivision] APRIL THIRTIETH, NINETEEN HUNDRED EIGHTY-THREE unless the governing body of such approved assessing unit provides by local law adopted after a public hearing, prior to the taxable status date of such assessing unit next occurring after December thirty-first, nineteen hundred eighty-three, that such paragraph (a) shall not apply to such real property to which this clause applies[.]; OR

(III) ON AND AFTER JANUARY FIRST, TWO THOUSAND ELEVEN, THE HOMESTEAD CLASS OF A HOMESTEAD TAX DISTRICT.

S 8. Subdivision 2 of section 581 of the real property tax law, as added by chapter 223 of the laws of 1989, is amended to read as follows:

2. Real property owned or leased by a cooperative corporation or on a condominium basis which is located in an approved assessing unit OR A HOMESTEAD TAX DISTRICT, or which is not located in an approved assessing unit OR A HOMESTEAD TAX DISTRICT but which is located in an eligible split school district which has adopted the provisions of section nineteen hundred three-a of this chapter, and is not subject to the provisions of paragraph (a) of subdivision one of this section, shall be assessed pursuant to the provisions of this subdivision.

(a) The assessor of an assessing unit in which such real property is located shall compute an assessment which would be placed on such parcel were the parcel not owned or leased by a cooperative corporation or on a condominium basis, which value shall be known as the restricted assessed valuation.

(b) The assessor of such assessing unit in which such real property is located shall compute an assessment which would be placed on such parcel without regard to the restrictions found in paragraph (a) of this subdivision or section three hundred thirty-nine-y of the real property law, which value shall be known as the assessed valuation.

(c) The assessor of such assessing unit shall enter the assessed valuation on the assessment roll of such assessing unit and the restricted assessed valuation in a separate column of the assessment roll of such assessing unit.

(d) A municipal corporation which levies taxes pursuant to article nineteen OR NINETEEN-A of this chapter shall levy such taxes against the assessed valuation of such parcels for taxes imposed by or on behalf of such municipal corporation.

(e) A municipal corporation which does not levy taxes pursuant to article nineteen OR NINETEEN-A of this chapter shall levy such taxes against the restricted assessed valuation of such parcels for taxes levied by or on behalf of such municipal corporation.

S 9. Clause (i) of subparagraph 1 of paragraph (a) of subdivision 3 of section 720 of the real property tax law, as amended by chapter 679 of the laws of 1986, is amended to read as follows:

(i) residential: all one, two and three family residential real property including such dwellings used in part for non-residential purposes but which are used primarily for residential purposes, except such property held in cooperative or condominium forms of ownership provided, however, that in any approved assessing unit which has adopted the provisions of section nineteen hundred three of this chapter AND IN ANY HOMESTEAD TAX DISTRICT, the residential type shall be the homestead class as defined in this chapter;

S 10. Paragraph (b) of subdivision 1 of section 1111 of the real property tax law, as added by chapter 532 of the laws of 1994, is amended to read as follows:

(b) "Residential property" means property which is improved by a one, two or three family structure used exclusively for residential purposes other than property subject to the assessment limitations of section five hundred eighty-one of this chapter and article nine-B of the real property law. A parcel shall be deemed to be residential property for purposes of this article if the applicable tax roll shows that (i) the assessor has assigned to the parcel a property classification code in the residential category, or (ii) the parcel has been included in the homestead class in an approved assessing unit OR A HOMESTEAD TAX DISTRICT, or in class one in a special assessing unit.

S 11. The real property tax law is amended by adding a new section 1617 to read as follows:

S 1617. CLASS TAX RATE OPTIONS. 1. A CONSOLIDATED ASSESSING UNIT SHALL BECOME A HOMESTEAD ASSESSING UNIT UNDER ARTICLE NINETEEN-A OF THIS CHAPTER UPON THE ADOPTION OF RESOLUTIONS SO PROVIDING BY ALL OF THE CONSTITUENT MUNICIPALITIES THEREOF, AND MAY TERMINATE ITS STATUS AS A HOMESTEAD ASSESSING UNIT IN THE SAME MANNER.

2. IN AN APPROVED ASSESSING UNIT OR HOMESTEAD ASSESSING UNIT THAT HAS BECOME A CONSTITUENT MUNICIPALITY OF A CONSOLIDATED ASSESSING UNIT ESTABLISHED PURSUANT TO THIS ARTICLE, THE PROVISIONS OF ARTICLE NINETEEN

OR NINETEEN-A OF THIS CHAPTER, WHICHEVER HAD BEEN APPLICABLE, SHALL CONTINUE TO BE APPLICABLE TO THE SAME EXTENT AS IF THE ASSESSING UNIT HAD NOT BECOME PART OF A CONSOLIDATED ASSESSING UNIT, PROVIDED THAT THE CONSTITUENT MUNICIPALITY MAY WAIVE THE PROVISIONS OF THIS SUBDIVISION BY LOCAL LAW.

S 12. This act shall take effect January 1, 2011, provided that:

(a) an application for certification of a revaluation as homestead-compliant pursuant to section 1912 of the real property tax law as added by section three of this act may be submitted and approved prior to such date; and

(b) a resolution to become a homestead assessing unit pursuant to section 1912 of the real property tax law as added by section three of this act may be adopted prior to such date.