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

1419

2009-2010 Regular Sessions

I N S E N A T E

January 30, 2009

Introduced by Sen. MAZIARZ -- 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 the assessed valuation of certain real property used for residential real property in the county of Orleans

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

Section 1. Section 581-a of the real property tax law, as added by chapter 714 of the laws of 2005, is amended to read as follows:

S 581-a. Assessment of residential real property. Notwithstanding any other provision of law, the assessed valuation of real property used for residential rental purposes where at least twenty percent of the residential units are subject to an agreement with a municipality, the state, the federal government, or an instrumentality thereof, which agreement restricts occupancy of those units to tenants who qualify in accordance with an income test, shall be determined using the income approach as applied to the actual net operating income, after deducting for reserves required by any federal, state or municipal programs. THE PROVISIONS OF THIS SECTION SHALL NOT APPLY IN THE COUNTY OF ORLEANS. For the purposes of this section "net operating income" shall mean the actual or anticipated net income that remains after all operating expenses are deducted from effective gross income, but before mortgage debt service and book depreciation are deducted. The assessed valuation of real property used for such residential rental purposes shall be determined using the actual net operating income, and shall not include federal, state or municipal income tax credits, subsidized mortgage financing, or project grants, where such subsidies are used to offset the project development cost in order to provide for lower initial rents as determined by regulations promulgated by the division of housing and community renewal.

S 2. This act shall take effect immediately and shall apply to taxable status dates occurring on or after the first of January next succeeding the date on which it shall have become a law.

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

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