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

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I N S E N A T E

May 27, 2010

Introduced by Sen. LIBOUS -- 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 establishing an exemption for newly constructed single family residential property until sale

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

Section 1. Legislative intent. The legislature hereby finds and declares that the construction and sale of detached single family residences is an integral part of the economy of this state, and that new home construction fosters economic development throughout the state. The residential construction permits for new construction have dropped precipitously. It is the intent of the legislature to exempt unsold newly constructed homes in order to promote such development.

S 2. The real property tax law is amended by adding a new section 421-1 to read as follows:

S 421-1. EXEMPTION OF CERTAIN NEWLY CONSTRUCTED SINGLE FAMILY RESIDENTIAL PROPERTY. 1. A COUNTY, CITY, TOWN OR VILLAGE MAY BY LOCAL LAW, OR A SCHOOL DISTRICT MAY BY RESOLUTION PROVIDE THAT THE EXEMPTION UNDER THIS SECTION SHALL BE APPLICABLE WITHIN ITS JURISDICTION. A COPY OF SUCH LOCAL LAW OR RESOLUTION SHALL BE FILED WITH THE OFFICE OF REAL PROPERTY SERVICES.

2. RESIDENTIAL BUILDING LOTS WHICH ARE IMPROVED BY A NEWLY CONSTRUCTED DETACHED SINGLE FAMILY RESIDENCE WHICH WAS NOT CONSTRUCTED UNDER CONTRACT WITH A PURCHASER AND WHICH IS OFFERED FOR SALE BY THE BUILDER OR DEVELOPER SHALL BE EXEMPT FROM TAXATION TO THE EXTENT OF THE INCREASED VALUE OF SUCH LOT RESULTING FROM THE ADDITION OF THE NEWLY CONSTRUCTED DETACHED SINGLE FAMILY RESIDENCE FROM A PERIOD UNTIL SUCH PROPERTY IS SOLD OR OTHERWISE OCCUPIED AS A RESIDENCE, BUT IN NO EVENT LONGER THAN THREE YEARS FROM THE GRANTING OF THE EXEMPTION PURSUANT TO THIS SECTION.

3. SUCH EXEMPTION SHALL BE GRANTED ONLY UPON APPLICATION BY THE OWNER OF THE REAL PROPERTY ON A FORM PRESCRIBED AND MADE AVAILABLE BY THE

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

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OFFICE OF REAL PROPERTY SERVICES. THE APPLICANT SHALL FILE SUCH INFORMATION AS IS REQUIRED BY THE OFFICE OF REAL PROPERTY SERVICES INCLUDING, BUT NOT LIMITED TO, PROOF THAT THE OWNER OF SUCH PROPERTY IS DOING BUSINESS AS A BUILDER OR DEVELOPER OF RESIDENTIAL PROPERTY. THE APPLICATION SHALL BE FILED WITH THE ASSESSOR OF THE APPROPRIATE ASSESSING UNIT. SUCH APPLICATION SHALL BE FILED ON OR BEFORE THE APPROPRIATE TAXABLE STATUS DATE OF SUCH ASSESSING UNIT AND NOT LATER THAN ONE YEAR FROM THE DATE OF COMPLETION OF CONSTRUCTION OF SUCH DETACHED SINGLE FAMILY RESIDENCE.

4. IF THE ASSESSOR RECEIVES AN APPLICATION BY THE OWNER OF THE REAL PROPERTY, AND IS SATISFIED THAT THE APPLICANT IS ENTITLED TO AN EXEMPTION PURSUANT TO THIS SECTION, THE ASSESSOR SHALL APPROVE THE APPLICATION AND SUCH REAL PROPERTY SHALL THEREAFTER BE EXEMPT FROM TAXATION AS PROVIDED IN THIS SECTION COMMENCING WITH THE TAX ROLL PREPARED AFTER THE TAXABLE STATUS DATE. THE ASSESSED VALUE OF ANY REAL PROPERTY GRANTED AN EXEMPTION PURSUANT TO THIS SECTION SHALL BE ENTERED BY THE ASSESSOR ON THE TAX ROLL, WITH THE AMOUNT OF THE EXEMPTION ENTERED IN A SEPARATE COLUMN.

5. THE PROVISIONS OF THIS SECTION SHALL NOT APPLY TO A CITY WITH A POPULATION OF ONE MILLION OR MORE.

S 3. This act shall take effect immediately.