

11390

I N A S S E M B L Y

June 8, 2010

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Farrell) --  
(at request of the Governor) -- read once and referred to the Commit-  
tee on Ways and Means

AN ACT to amend the executive law, the real property tax law, and the  
tax law, in relation to merging the state office of real property  
services and the state board of real property services into the  
department of taxation and finance; and to repeal certain provisions  
of the real property tax law and the tax law relating thereto

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

1 Section 1. (a) The purpose of this act is to provide for an orderly  
2 transfer of responsibilities relating to real property tax adminis-  
3 tration to the commissioner of taxation and finance and the department  
4 of taxation and finance, from the state board of real property services  
5 and the state office of real property services.  
6 (b) Wherever the terms "state board of real property services," "state  
7 board" or "state office of real property services" appear in the real  
8 property tax law, such terms are hereby changed to "commissioner",  
9 provided that in sections 204, 206, 208, 614, 816, 818, 1253 and 1263 of  
10 the real property tax law, such terms shall be changed to "state board  
11 of real property tax services," and provided further that the text of  
12 sections 200, 202, 216, 489-o, 489-11, 1210 and 1218 of the real proper-  
13 ty tax law shall be changed only as provided by the ensuing provisions  
14 of this act, and provided further that the provisions of this subdivi-  
15 sion shall not apply to the text of sections 200-a, 201 and 203 of the  
16 real property tax law as added by sections five and seven of this act.  
17 (c) Wherever the terms "state board of real property services," "state  
18 board" or "state office of real property services" appear in the tax  
19 law, such terms are hereby changed to "commissioner", provided further  
20 that the text of subdivision (e) of section 15, paragraph 5 of subdivi-  
21 sion (b) of section 22, subdivision 25th of section 171 and sections  
22 171-o, 697, and 1564 of the tax law shall only be changed to the extent  
23 provided by the ensuing provisions of this act.

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

LBD12254-01-0

1 (d) Wherever the term "state board of real property services" or  
2 "state office of real property services" appears in the consolidated or  
3 unconsolidated laws of this state other than the real property tax law  
4 or the tax law, such term is hereby changed to "commissioner of taxation  
5 and finance". Wherever the term "state board of real property services"  
6 is followed by the term "state board" in such a statute, such term is  
7 hereby changed to "commissioner".

8 (e) The legislative bill drafting commission is hereby directed to  
9 effectuate this provision, and shall be guided by a memorandum of  
10 instruction setting forth the specific provisions of law to be amended.  
11 Such memorandum shall be transmitted to the legislative bill drafting  
12 commission within sixty days of enactment of this provision. Such memo-  
13 randum shall be issued jointly by the governor, the temporary president  
14 of the senate, and the speaker of the assembly, or by the delegate of  
15 each.

16 S 2. Paragraph (c) of subdivision 1 of section 169 of the executive  
17 law, as amended by chapter 634 of the laws of 1998, is amended to read  
18 as follows:

19 (c) commissioner of agriculture and markets, commissioner of alcohol-  
20 ism and substance abuse services, adjutant general, commissioner and  
21 president of state civil service commission, commissioner of economic  
22 development, chair of the energy research and development authority,  
23 [executive director of the board of real property services,] president  
24 of higher education services corporation, commissioner of motor vehi-  
25 cles, member-chair of board of parole, director of probation and correc-  
26 tional alternatives, chair of public employment relations board, secre-  
27 tary of state, chair of the state racing and wagering board,  
28 commissioner of alcoholism and substance abuse services, executive  
29 director of the housing finance agency, commissioner of housing and  
30 community renewal, executive director of state insurance fund, commis-  
31 sioner-chair of state liquor authority, chair of the workers' compen-  
32 sation board;

33 S 3. Subdivision 18 of section 102 of the real property tax law, as  
34 amended by chapter 385 of the laws of 1994, is amended and two new  
35 subdivisions 5-a and 9-b are added to read as follows:

36 18. "State board" or "board" means the state board of real property  
37 TAX services.

38 5-A. "COMMISSIONER" MEANS THE COMMISSIONER OF TAXATION AND FINANCE.

39 9-B. "DEPARTMENT" MEANS THE DEPARTMENT OF TAXATION AND FINANCE.

40 S 4. Sections 201, 210, 212 and 214 of the real property tax law are  
41 REPEALED.

42 S 4-a. Section 200 of the real property tax law, as amended by chapter  
43 403 of the laws of 1997, is amended to read as follows:

44 S 200. State board. There is hereby created in the [executive]  
45 department OF TAXATION AND FINANCE a SEPARATE AND INDEPENDENT state  
46 board of real property TAX services, to consist of five members to be  
47 appointed by the governor, by and with the advice and consent of the  
48 senate. Of those five members appointed by the governor, one such person  
49 shall be an individual actively engaged in the commercial production for  
50 sale of agricultural crops, livestock and livestock products of an aver-  
51 age gross sales value of ten thousand dollars or more. Said individual  
52 shall be appointed in the first instance to a term of eight years upon  
53 expiration of an existing term. Said initial term shall commence on the  
54 first day of January next succeeding the year in which the existing term  
55 shall expire. The governor shall designate one of the members as the  
56 chairman of the board, who shall serve as chairman at the pleasure of

1 the governor. The members of the board shall be appointed for terms of  
2 eight years, commencing on the first day of January next following the  
3 year in which the term of his predecessor expired, except that the terms  
4 of the members first appointed shall expire as follows: one on December  
5 thirty-first, nineteen hundred sixty-one, one on December thirty-first,  
6 nineteen hundred sixty-three, one on December thirty-first, nineteen  
7 hundred sixty-five, one on December thirty-first, nineteen hundred  
8 sixty-seven, and one on December thirty-first, nineteen hundred eighty-  
9 two. Vacancies occurring otherwise than by expiration of term shall be  
10 filled for the unexpired term. All members shall receive necessary  
11 expenses incurred in the performance of their duties.

12 S 5. The real property tax law is amended by adding a new section 201  
13 to read as follows:

14 S 201. ASSUMPTION OF RESPONSIBILITIES BY THE DEPARTMENT OF TAXATION  
15 AND FINANCE. 1. ON AND AFTER THE EFFECTIVE DATE OF THIS SECTION, THE  
16 FUNCTIONS, POWERS AND DUTIES OF THE STATE BOARD OF REAL PROPERTY  
17 SERVICES AS FORMERLY ESTABLISHED BY THIS CHAPTER SHALL BE CONSIDERED  
18 FUNCTIONS, POWERS AND DUTIES OF THE COMMISSIONER OF TAXATION AND  
19 FINANCE, EXCEPT TO THE EXTENT PROVIDED BY SECTION TWO HUNDRED-A OF THIS  
20 ARTICLE.

21 2. ON AND AFTER THE EFFECTIVE DATE OF THIS SECTION, THE FUNCTIONS,  
22 POWERS AND DUTIES OF THE OFFICE OF REAL PROPERTY SERVICES AS FORMERLY  
23 ESTABLISHED BY THIS CHAPTER SHALL BE CONSIDERED FUNCTIONS, POWERS AND  
24 DUTIES OF THE COMMISSIONER OF TAXATION AND FINANCE.

25 3. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, RULE, OR REGULATION TO  
26 THE CONTRARY, UPON THE TRANSFER OF FUNCTIONS FROM THE OFFICE OF REAL  
27 PROPERTY SERVICES TO THE DEPARTMENT OF TAXATION AND FINANCE PURSUANT TO  
28 THIS SECTION, ALL EMPLOYEES OF THE OFFICE OF REAL PROPERTY SERVICES  
29 SUBSTANTIALLY ENGAGED IN THE PERFORMANCE OF THE TRANSFERRED FUNCTIONS  
30 SHALL BE TRANSFERRED TO THE DEPARTMENT OF TAXATION AND FINANCE. EMPLOY-  
31 EES TRANSFERRED PURSUANT TO THIS SECTION SHALL BE TRANSFERRED WITHOUT  
32 FURTHER EXAMINATION OR QUALIFICATION AND SHALL RETAIN THEIR RESPECTIVE  
33 CIVIL SERVICE CLASSIFICATIONS, STATUS AND COLLECTIVE BARGAINING UNIT  
34 DESIGNATIONS AND COLLECTIVE BARGAINING AGREEMENTS.

35 4. ALL BOOKS, PAPERS, AND PROPERTY OF THE OFFICE OF REAL PROPERTY  
36 SERVICES SHALL BE DELIVERED TO THE COMMISSIONER. ALL BOOKS, PAPERS, AND  
37 PROPERTY OF THE OFFICE OF REAL PROPERTY SERVICES SHALL CONTINUE TO BE  
38 MAINTAINED BY THE DEPARTMENT.

39 5. FOR THE PURPOSE OF SUCCESSION OF ALL FUNCTIONS, POWERS, DUTIES AND  
40 OBLIGATIONS TRANSFERRED AND ASSIGNED TO, DEVOLVED UPON AND ASSUMED BY IT  
41 PURSUANT TO THIS SECTION, THE DEPARTMENT SHALL BE DEEMED AND HELD TO  
42 CONSTITUTE THE CONTINUATION OF THE OFFICE OF REAL PROPERTY SERVICES.

43 6. ANY BUSINESS OR OTHER MATTER UNDERTAKEN OR COMMENCED BY THE STATE  
44 BOARD OF REAL PROPERTY SERVICES, THE OFFICE OF REAL PROPERTY SERVICES OR  
45 THE EXECUTIVE DIRECTOR THEREOF PERTAINING TO OR CONNECTED WITH THE FUNC-  
46 TIONS, POWERS, OBLIGATIONS AND DUTIES HEREBY TRANSFERRED AND ASSIGNED TO  
47 THE COMMISSIONER OR THE DEPARTMENT AND PENDING ON THE EFFECTIVE DATE OF  
48 THIS SECTION, MAY BE CONDUCTED AND COMPLETED BY THE COMMISSIONER OR THE  
49 DEPARTMENT IN THE SAME MANNER AND UNDER THE SAME TERMS AND CONDITIONS  
50 AND WITH THE SAME EFFECT AS IF CONDUCTED AND COMPLETED BY THE STATE  
51 BOARD OF REAL PROPERTY SERVICES, THE OFFICE OF REAL PROPERTY SERVICES OR  
52 ITS EXECUTIVE DIRECTOR.

53 7. (A) ALL RULES, REGULATIONS, ACTS, ORDERS, DETERMINATIONS, AND DECI-  
54 SIONS OF THE STATE BOARD OF REAL PROPERTY SERVICES OR THE OFFICE OF REAL  
55 PROPERTY SERVICES, IN FORCE AT THE TIME OF SUCH TRANSFER AND ASSUMPTION,  
56 SHALL CONTINUE IN FULL FORCE AND EFFECT AS RULES, REGULATIONS, ACTS,

1 ORDERS, DETERMINATIONS AND DECISIONS OF THE DEPARTMENT UNTIL DULY MODI-  
2 FIED OR ABROGATED BY THE COMMISSIONER OR THE DEPARTMENT.

3 (B) ALL ACTS, ORDERS, DETERMINATIONS, AND DECISIONS OF THE STATE BOARD  
4 OF REAL PROPERTY SERVICES PERTAINING TO THE FUNCTIONS AND POWERS  
5 PROVIDED IN SECTION TWO HUNDRED-A OF THIS ARTICLE SHALL CONTINUE IN FULL  
6 FORCE AND EFFECT AS ACTS, ORDERS, DETERMINATIONS AND DECISIONS OF THE  
7 STATE BOARD OF REAL PROPERTY TAX SERVICES.

8 8. WHENEVER THE STATE BOARD OF REAL PROPERTY SERVICES, THE OFFICE OF  
9 REAL PROPERTY SERVICES OR ITS EXECUTIVE DIRECTOR IS REFERRED TO OR  
10 DESIGNATED IN ANY LAW, CONTRACT OR DOCUMENT PERTAINING TO THE FUNCTIONS,  
11 POWERS, OBLIGATIONS AND DUTIES HEREBY TRANSFERRED TO AND ASSIGNED TO THE  
12 COMMISSIONER OR THE DEPARTMENT, SUCH REFERENCE OR DESIGNATION SHALL BE  
13 DEEMED TO REFER TO THE COMMISSIONER OR DEPARTMENT, AS APPLICABLE OR  
14 INDICATED BY THE CONTEXT.

15 9. NO EXISTING RIGHT OR REMEDY OF ANY CHARACTER SHALL BE LOST,  
16 IMPAIRED OR AFFECTED BY ANY PROVISIONS OF THIS SECTION.

17 10. NO ACTION OR PROCEEDING PENDING ON THE EFFECTIVE DATE OF THIS  
18 SECTION, BROUGHT BY OR AGAINST THE STATE BOARD OF REAL PROPERTY  
19 SERVICES, THE OFFICE OF REAL PROPERTY SERVICES OR ITS EXECUTIVE DIRECTOR  
20 SHALL BE AFFECTED BY ANY PROVISION OF THIS SECTION, BUT THE SAME MAY BE  
21 PROSECUTED OR DEFENDED IN THE NAME OF THE COMMISSIONER OR THE DEPART-  
22 MENT. IN ALL SUCH ACTIONS AND PROCEEDINGS, THE COMMISSIONER, UPON APPLI-  
23 CATION OF THE COURT, SHALL BE SUBSTITUTED AS A PARTY.

24 11. ALL APPROPRIATIONS OR REAPPROPRIATIONS MADE TO THE OFFICE OF REAL  
25 PROPERTY SERVICES TO THE EXTENT OF REMAINING UNEXPENDED OR UNENCUMBERED  
26 BALANCE THEREOF, WHETHER ALLOCATED OR UNALLOCATED AND WHETHER OBLIGATED  
27 OR UNOBLIGATED, ARE HEREBY TRANSFERRED TO AND MADE AVAILABLE FOR USE AND  
28 EXPENDITURE BY THE DEPARTMENT SUBJECT TO THE APPROVAL OF THE DIRECTOR OF  
29 THE BUDGET FOR THE SAME PURPOSES FOR WHICH ORIGINALLY APPROPRIATED OR  
30 REAPPROPRIATED AND SHALL BE PAYABLE ON VOUCHERS CERTIFIED OR APPROVED BY  
31 THE COMMISSIONER ON AUDIT AND WARRANT OF THE COMPTROLLER.

32 12. ALL ASSETS AND LIABILITIES OF THE OFFICE OF REAL PROPERTY SERVICES  
33 ARE HEREBY TRANSFERRED TO AND ASSUMED BY THE DEPARTMENT.

34 S 6. Section 202 of the real property tax law, paragraph (c) of subdi-  
35 vision 1 as amended by chapter 615 of the laws of 1972, paragraph (h) of  
36 subdivision 1 as amended by chapter 261 of the laws of 1992, paragraph  
37 (k) of subdivision 1 as amended, paragraph (m) of subdivision 1 as added  
38 and paragraph (n) of subdivision 1 as relettered by chapter 833 of the  
39 laws of 1960, paragraph (o) of subdivision 1 as added by chapter 716 of  
40 the laws of 1990, paragraph (p) of subdivision 1 as added by chapter 166  
41 of the laws of 1991, paragraph (q) of subdivision 1 as added by chapter  
42 450 of the laws of 2004, subdivision 1-a as added by chapter 739 of the  
43 laws of 1978, subdivision 1-b as added by chapter 237 of the laws of  
44 1995, subdivision 2 as added by chapter 522 of the laws of 1981, the  
45 opening paragraph of subdivision 2 as amended by chapter 385 of the laws  
46 of 1994, and paragraph (a) of subdivision 2 as amended by chapter 776 of  
47 the laws of 1988, is amended to read as follows:

48 S 202. Powers and duties of [state board] THE COMMISSIONER IN RELATION  
49 TO REAL PROPERTY TAX ADMINISTRATION. 1. The [board] COMMISSIONER shall:

50 (a) Assess special franchises;

51 (b) Establish state equalization rates for each county, city, town and  
52 village;

53 [(c) Hear and determine reviews relating to determinations made by  
54 county equalization agencies;

55 (d)] (C) Approve assessments of state lands subject to taxation;

1 [(e)] (D) Have general supervision of the function of assessing  
2 throughout the state;

3 [(f)] (E) Investigate, from time to time, the methods of assessment  
4 throughout the state, and confer with, advise and assist assessors and  
5 other officials whose duties relate to assessments;

6 [(g)] (F) Furnish assessors with such information and instructions as  
7 may be necessary or proper to aid them in making assessments, which  
8 instructions shall be followed and compliance with which may be enforced  
9 by [the board] HIM OR HER;

10 [(h)] (G) Prescribe, and in [its] HIS OR HER discretion furnish to  
11 assessors at the expense of the state, forms relating to assessments,  
12 including applications for exemption from real property taxation, which  
13 forms shall be used by the assessors and applicants for an exemption  
14 granted pursuant to this or any other chapter, and the use of which  
15 shall be enforced by the [board] COMMISSIONER;

16 [(i)] (H) Obtain from state and local officers, bodies or other agen-  
17 cies such information as may be necessary for the proper discharge of  
18 [its] THE duties CONFERRED UPON HIM OR HER IN RELATION TO REAL PROPERTY  
19 TAX ADMINISTRATION, which information shall be furnished on HIS OR HER  
20 demand [of the state board];

21 [(j)] (I) Inquire into the provisions of the laws of other states and  
22 confer with the appropriate officials thereof regarding the most effec-  
23 tual and equitable methods of assessing and taxing real property;

24 [(k)] (J) Prepare an annual report to the legislature which shall  
25 include therein recommendations concerning amendments to existing law  
26 and such other information as [it] HE OR SHE may deem advisable;

27 [(l)] (K) Adopt and amend such rules, regulations, orders and determi-  
28 nations, not inconsistent with law, as may be necessary for the exercise  
29 of [its] HIS OR HER powers and the performance of [its] HIS OR HER  
30 duties under this chapter;

31 [(m)] (L) Establish railroad ceilings for railroad real property;

32 [(n)] (M) Exercise and perform such other powers and duties as may be  
33 conferred or imposed on [it] HIM OR HER by law.

34 [(o) monitor] (N) MONITOR the quality of local assessment practices by  
35 individual assessing units.

36 [(p) impose,] (O) IMPOSE, collect and receive such charges or fees as  
37 may be authorized by statute.

38 [(q)] (P) Promulgate rules and regulations for the ascertainment and  
39 reporting of "assessment record billing owner" information, as defined  
40 in section one hundred three of the eminent domain procedure law, for  
41 the purposes of the administration of [said] SUCH law.

42 [1-a] 2. In any instance where an assessing unit has acted pursuant  
43 to the rules, regulations, orders, determinations or instructions of the  
44 [state board] COMMISSIONER ACTING PURSUANT TO THE AUTHORITY CONFERRED  
45 UPON HIM OR HER BY THIS CHAPTER, and such action is the subject of a  
46 judicial review, the [state board] COMMISSIONER may upon request of the  
47 assessing unit assist such assessing unit by the filing of a brief  
48 amicus curiae or through such other means as may be appropriate.

49 [1-b] 3. The [state board] COMMISSIONER may adopt rules and regu-  
50 lations, as necessary, to implement the computerized statewide school  
51 district address match and income verification system set forth in  
52 section one hundred seventy-one of the tax law.

53 [2. The members of the board, or a majority thereof, shall act as a  
54 body when determining reviews relating to county equalization rates and  
55 adopting and amending rules, regulations and orders in accordance with  
56 law. The board may by resolution delegate to any officer or employee of

1 the office of real property services any other power or duty to be exer-  
2 cised or performed by it under this chapter or any other law subject to  
3 the following:

4 (a) Any resolution which delegates powers and duties relating to the  
5 assessment of special franchises, the approval of assessments of state  
6 lands subject to taxation, and the establishment of state equalization  
7 rates pursuant to article twelve of this chapter shall be adopted annu-  
8 ally. Any such resolution shall specify the assessment rolls for which  
9 said delegation is made and shall set forth the full value standard  
10 which shall be used. However, no such resolution may delegate the power  
11 to make a final determination in a matter in which a complaint has been  
12 filed pursuant to articles six and twelve of this chapter; provided,  
13 however, that the power to adjust a final special franchise assessment  
14 which is affected by a special equalization rate established pursuant to  
15 section twelve hundred twenty-two of this chapter may be delegated  
16 whether or not a complaint has been filed pursuant to article six of  
17 this chapter. The executive director shall report to the members of the  
18 board all actions taken pursuant to any such resolution within ten days  
19 of taking said actions. Within ten days of receipt of the report of the  
20 executive director, if any member of the board has an objection, a meet-  
21 ing of the board shall be convened for the purpose of considering the  
22 objection. Failure to make a report shall not, however, affect the  
23 legality of any such actions.

24 (b) Any resolution which delegates powers and duties relating to the  
25 establishment of special state equalization rates pursuant to sections  
26 eight hundred six and thirteen hundred fourteen of this chapter and  
27 special equalization ratios pursuant to articles twelve-A and twelve-B  
28 of this chapter and certifications of changes in the level of assessment  
29 pursuant to this chapter or any other law shall prescribe the policies  
30 or criteria to be observed in the exercise of such powers and duties by  
31 the officer or employee to whom they are delegated. However, no such  
32 resolution may delegate the power to make a final determination in a  
33 matter in which a complaint has been filed pursuant to articles twelve-A  
34 and twelve-B of this chapter.]

35 4. ANY RECORDS THAT COME INTO THE COMMISSIONER'S CUSTODY IN THE COURSE  
36 OF DISCHARGING THE DUTIES IMPOSED UPON HIM OR HER BY THIS CHAPTER SHALL  
37 BE SUBJECT TO PUBLIC ACCESS TO THE FULL EXTENT PROVIDED BY THIS CHAPTER  
38 AND THE PUBLIC OFFICERS LAW, AND SHALL NOT BE SUBJECT TO THE SECRECY  
39 PROVISIONS OF THE TAX LAW.

40 S 7. The real property tax law is amended by adding two new sections  
41 200-a and 203 to read as follows:

42 S 200-A. POWERS OF THE STATE BOARD OF REAL PROPERTY TAX SERVICES. 1.  
43 THE POWERS, FUNCTIONS, DUTIES, AND OBLIGATIONS OF THE STATE BOARD OF  
44 REAL PROPERTY TAX SERVICES SHALL BE SEPARATE FROM AND INDEPENDENT OF THE  
45 AUTHORITY OF THE DEPARTMENT OF TAXATION AND FINANCE. SUCH BOARD SHALL BE  
46 EMPOWERED TO ADOPT SUCH GUIDELINES AS MAY BE NECESSARY FOR THE EFFECTIVE  
47 MANAGEMENT OF ITS DECISION-MAKING PROCESS.

48 2. THE STATE BOARD OF REAL PROPERTY TAX SERVICES SHALL HAVE THE  
49 FOLLOWING POWERS IN RELATION TO REAL PROPERTY TAX ADMINISTRATION:

50 (A) THE POWER TO DETERMINE THE FINAL SPECIAL FRANCHISE VALUE, SPECIAL  
51 FRANCHISE ASSESSMENT, RAILROAD CEILING, STATE EQUALIZATION RATE OR ANY  
52 OTHER EQUALIZATION PRODUCT ESTABLISHED PURSUANT TO THIS CHAPTER FOR  
53 WHICH A COMPLAINT HAS BEEN FILED, AS PROVIDED BY SECTIONS FOUR HUNDRED  
54 EIGHTY-NINE-O, FOUR HUNDRED EIGHTY-NINE-LL, SIX HUNDRED FOURTEEN, TWELVE  
55 HUNDRED TEN, TWELVE HUNDRED FIFTY-THREE, AND TWELVE HUNDRED SIXTY-THREE  
56 OF THIS CHAPTER;

1 (B) THE POWER TO HEAR AND DETERMINE REVIEWS RELATING TO DETERMINATIONS  
2 MADE BY COUNTY EQUALIZATION AGENCIES, AS PROVIDED BY SECTIONS EIGHT  
3 HUNDRED SIXTEEN AND EIGHT HUNDRED EIGHTEEN OF THIS CHAPTER.

4 3. THE PROVISIONS OF SECTION FIVE HUNDRED TWENTY-FIVE OF THIS CHAPTER  
5 SHALL APPLY SO FAR AS PRACTICABLE TO A HEARING CONDUCTED BY THE BOARD OF  
6 REAL PROPERTY TAX SERVICES PURSUANT TO THIS CHAPTER.

7 S 203. OFFICE OF REAL PROPERTY TAX SERVICES. THERE IS HEREBY CREATED  
8 WITHIN THE DEPARTMENT OF TAXATION AND FINANCE AN OFFICE OF REAL PROPERTY  
9 TAX SERVICES. THE HEAD OF THE OFFICE SHALL BE A DEPUTY COMMISSIONER FOR  
10 REAL PROPERTY TAX SERVICES, WHO SHALL ALSO BE THE EXECUTIVE OFFICER FOR  
11 AND SECRETARY OF THE STATE BOARD OF REAL PROPERTY TAX SERVICES. THE  
12 DEPUTY COMMISSIONER FOR REAL PROPERTY TAX SERVICES SHALL BE APPOINTED BY  
13 THE GOVERNOR. HE OR SHE SHALL EXERCISE SUCH POWERS AND DUTIES IN  
14 RELATION TO REAL PROPERTY TAX ADMINISTRATION AS MAY BE DELEGATED TO HIM  
15 OR HER BY THE COMMISSIONER, SHALL REPORT DIRECTLY TO THE COMMISSIONER ON  
16 THE ACTIVITIES OF THE OFFICE, AND SHALL HOLD OFFICE AT THE PLEASURE OF  
17 THE COMMISSIONER. THE COMMISSIONER MAY APPOINT SUCH OFFICERS, EMPLOYEES,  
18 AGENTS, CONSULTANTS AND SPECIAL COMMITTEES AS HE OR SHE MAY DEEM NECES-  
19 SARY TO CARRY OUT THE PROVISIONS OF THIS CHAPTER, AND SHALL PRESCRIBE  
20 THEIR DUTIES.

21 S 8. Section 216 of the real property tax law, as added by chapter 490  
22 of the laws of 1988, subdivision 5 as amended by chapter 529 of the laws  
23 of 1990, is amended to read as follows:

24 S 216. Powers of [board] COMMISSIONER upon neglect or refusal of offi-  
25 cials to perform duties. 1. Whenever it appears to the satisfaction of  
26 the [state board] COMMISSIONER that any assessor or other public offi-  
27 cer, employee or board of assessment review whose duties relate directly  
28 to real property tax administration has failed to comply with the  
29 provisions of this chapter or any other law relating to such duties, or  
30 the rules and regulations of the [board] COMMISSIONER made pursuant  
31 thereto, after a hearing on the facts, the [board] COMMISSIONER may  
32 issue an order directing such assessor, officer, employee or board of  
33 assessment review to comply with such law, rule or regulation.

34 2. If any assessor or other public officer, employee or board of  
35 assessment review whose duties relate directly to real property tax  
36 administration shall [wilfully] WILLFULLY and intentionally refuse or  
37 neglect to perform any duty or do any act required by or pursuant to  
38 this chapter, in addition to any other penalty provided by law, such  
39 assessor, public officer, employee or member of a board of assessment  
40 review shall forfeit to the municipal corporation of which such asses-  
41 sor, public officer, employee or member is an officer a sum not to  
42 exceed fifty dollars for each [wilful] WILLFUL and intentional  
43 violation, which may be recovered by the [state board] COMMISSIONER.

44 3. Where a property owner is, in a proceeding conducted pursuant to  
45 this section, found to be directly affected by the violation of state  
46 law or rule, the [board] COMMISSIONER in its order shall establish  
47 procedures by which an assessor, officer, employee or board of assess-  
48 ment review whose duties relate directly to real property tax adminis-  
49 tration, whether or not a party to the proceeding, shall remedy the  
50 failure to comply with such state law or rules with respect to an  
51 assessment roll filed not more than three years prior to the commence-  
52 ment of the proceeding. Such remedy may include reconvening the board of  
53 assessment review, identifying the class of persons eligible to complain  
54 when the board of assessment review reconvenes, and issuing instructions  
55 to such board of assessment review on the law and any documentation  
56 required of eligible complainants in relation to the findings of the

1 [state board] COMMISSIONER. A copy of such order shall be mailed to such  
2 assessor, officer, employee or board of assessment review and to each  
3 municipal corporation which utilizes such assessment roll. Such order  
4 shall, where appropriate, require the assessing unit to mail a copy of  
5 the order to each eligible complainant whose name and address is readily  
6 ascertainable from the record of the proceeding.

7 4. (a) Where the [state board] COMMISSIONER has ordered the board of  
8 assessment review to reconvene to receive complaints, a copy of the  
9 order shall be mailed by the assessing unit to each eligible complain-  
10 ant, which mailing shall be accompanied by the form prescribed by the  
11 [state board] COMMISSIONER for complaints on tentative assessments or  
12 such other form as may be prescribed [by the state board] for such  
13 purpose. Included with such order and form shall be a notice stating the  
14 date, time and place at which the board of assessment review will recon-  
15 vene. This material shall be mailed to the eligible complainant no later  
16 than fifteen days prior to the meeting of the board of assessment  
17 review. On the date and time specified in such notice, the board of  
18 assessment review will reconvene to hear any complaints filed pursuant  
19 to such order and shall have the powers and duties set forth in section  
20 five hundred twenty-five of this chapter, except that it may receive  
21 only complaints with respect to assessments of those parcels to which  
22 the [state board's] COMMISSIONER'S order applies. A petition for review  
23 of the assessment of such property pursuant to either title one or one-A  
24 of article seven of this chapter may be filed no later than thirty days  
25 after the determination of the board of assessment review is mailed to  
26 the petitioner, notwithstanding the provisions of section seven hundred  
27 two or seven hundred thirty of this chapter.

28 (b) The assessor shall correct the assessment roll upon receipt of the  
29 verified statement of changes from the board of assessment review. If  
30 the assessor no longer has custody of the assessment roll when such  
31 verified statement is received, he or she shall forward a copy of such  
32 verified statement and a copy of the [state board's] COMMISSIONER'S  
33 order to the person having custody of the assessment roll or tax roll,  
34 which person shall thereupon make the appropriate corrections. The  
35 assessor shall also forward a copy of the verified statement of changes  
36 to the clerk of each tax levying body which levies taxes on such assess-  
37 ment roll.

38 (c) Where a tax, special assessment or special ad valorem levy has  
39 been paid prior to the correction of the tax roll pursuant to this  
40 section and the order of the board of assessment review results in a  
41 reduction of the tax liability of a parcel, the tax levying body shall  
42 refund to the person who paid such tax, special assessment or special ad  
43 valorem levy the amount which exceeds the tax, special assessment, or  
44 special ad valorem levy due upon the corrected tax roll. Any such refund  
45 shall be a charge upon each municipal corporation or special district to  
46 the extent that the taxes, special assessments or special ad valorem  
47 levies were levied on its behalf or as is otherwise provided by law with  
48 respect to Nassau and Suffolk counties; provided, however, that no  
49 application need be made by the petitioner for such refund. The verified  
50 statement of changes provided to the clerk of the tax district shall  
51 constitute an application for refund for the purposes of this section.  
52 Where a refund is not made within ninety days of the receipt of the  
53 verified statement of changes, interest in the amount of one percent per  
54 month shall be added to the amount to be refunded for each month or part  
55 thereof in excess of ninety days and paid to the property owner.

1 (d) Where taxes, special assessments or special ad valorem levies have  
2 been levied prior to the correction of the tax roll pursuant to this  
3 section and the verified statement of changes of the board of assessment  
4 review results in an increase in the tax liability of a parcel or the  
5 imposition of a tax liability upon a parcel, the additional tax, special  
6 assessment, or special ad valorem levy shall be levied, collected and  
7 accounted for as provided in the [state board's] COMMISSIONER'S order.

8 (e) The provisions of title three of article five of this chapter  
9 shall apply as far as practicable to the correction of an assessment  
10 roll or tax roll and, if applicable, to a refund of taxes pursuant to  
11 this section; provided however that no application, except as provided  
12 herein, need be made for such correction or refund.

13 5. If an assessor, or other public officer, employee or board of  
14 assessment review whose duties relate directly to real property tax  
15 administration fails or refuses to comply with the [state board's]  
16 COMMISSIONER'S order within ten days after service of such order or  
17 within such time as is prescribed by the [state board] COMMISSIONER for  
18 compliance with its order, the [state board] COMMISSIONER may commence a  
19 special proceeding pursuant to article four of the civil practice law  
20 and rules to compel compliance with such order. Such special proceeding  
21 shall be commenced by the counsel to the [state board] DEPARTMENT OF  
22 TAXATION AND FINANCE, except that the attorney general of the state  
23 shall commence such proceeding on behalf of the [state board] DEPARTMENT  
24 if he or she deems it necessary.

25 S 9. Section 324 of the real property tax law is REPEALED.

26 S 10. Subparagraphs (iv) and (v) of paragraph (b) of subdivision 4 of  
27 section 425 of the real property tax law, subparagraph (iv) as amended  
28 by section 3 of part E of chapter 83 of the laws of 2002, subparagraph  
29 (v) as amended by chapter 631 of the laws of 2006, are amended to read  
30 as follows:

31 (iv) Effective with applications for the enhanced exemption on final  
32 assessment rolls to be completed in two thousand three, the application  
33 form shall indicate that the owners of the property and any owners'  
34 spouses residing on the premises may authorize the assessor to have  
35 their income eligibility verified annually thereafter by the state  
36 department of taxation and finance, in lieu of furnishing copies of the  
37 applicable income tax return or returns with the application. If the  
38 owners of the property and any owners' spouses residing on the premises  
39 elect to participate in this program, which shall be known as the STAR  
40 income verification program, they must furnish their taxpayer identifi-  
41 cation numbers in order to facilitate matching with records of the  
42 department [of taxation and finance]. Thereafter, their income eligibil-  
43 ity shall be verified annually by the [state] department [of taxation  
44 and finance] and the assessor shall not request income documentation  
45 from them, unless such department advises the assessor [through the  
46 state board] that they do not satisfy the applicable income eligibility  
47 requirements, or that it is unable to determine whether they satisfy  
48 those requirements.

49 (v) (A) Except in the case of a city with a population of one million  
50 or more, the assessor shall forward to the [state board] DEPARTMENT, in  
51 the time and manner required by the [state board] DEPARTMENT, informa-  
52 tion identifying the persons who have elected to participate in the STAR  
53 income verification program. [The state board shall forward such infor-  
54 mation to the department of taxation and finance in the manner provided  
55 by the agreement executed pursuant to section one hundred seventy-one-o  
56 of the tax law, and shall notify the assessor of the response or

1 responses it receives from such department pursuant to such agreement.]  
2 After receiving [such] THE DEPARTMENT'S response or responses, the  
3 assessing authority shall cause notices to be mailed to participants as  
4 provided by paragraph (b) of subdivision five of this section. Informa-  
5 tion [obtained by the state board] PROVIDED TO THE DEPARTMENT identify-  
6 ing such persons, and responses obtained from such department shall be  
7 confidential and shall not be subject to disclosure under article six of  
8 the public officers law.

9 (B) In the case of a city of one million or more, the assessor shall  
10 forward to the department of taxation and finance, in the time and  
11 manner required by the department, information identifying the persons  
12 who have elected to participate in the STAR income verification program.  
13 The department shall advise the assessor of its findings in the manner  
14 provided by the agreement executed pursuant to section one hundred  
15 seventy-one-o of the tax law. After receiving such response or  
16 responses, the assessing authority shall cause notices to be mailed to  
17 participants as provided by paragraph (b) of subdivision five of this  
18 section. Information [obtained by the state board] PROVIDED TO THE  
19 DEPARTMENT identifying such persons, and responses obtained from such  
20 department shall be confidential and shall not be subject to disclosure  
21 under article six of the public officers law.

22 S 11. The opening paragraph of paragraph (b) of subdivision 5 of  
23 section 425 of the real property tax law, as amended by chapter 742 of  
24 the laws of 2005, is amended to read as follows:

25 Informational notice for participants in the STAR income verification  
26 program. In the case of a parcel which is owned by an owner or owners  
27 who have elected to participate in the STAR income verification program,  
28 the assessing authority shall cause a notice, preferably on a postcard,  
29 to be mailed to such owner or owners after the assessor has been noti-  
30 fied of their income eligibility by the department [of taxation and  
31 finance through the state board]. Each such notice shall be mailed with-  
32 out restrictions upon forwarding or delivery, and shall contain, in  
33 language prescribed by the [state board] DEPARTMENT, the substance of  
34 one of the following statements, whichever is appropriate:

35 S 12. Paragraph (a) of subdivision 12 of section 425 of the real prop-  
36 erty tax law, as amended by section 9 of part E of chapter 83 of the  
37 laws of 2002, is amended to read as follows:

38 (a) Generally. In addition to discontinuing the exemption on the next  
39 ensuing tentative assessment roll, if the assessor determines that the  
40 property improperly received the exemption on one or more of the three  
41 preceding assessment rolls, or is advised by the department [of taxation  
42 and finance through the state board] that the applicable income standard  
43 was not satisfied with regard to a property which received the enhanced  
44 exemption on one or more of those rolls, he or she shall proceed to  
45 revoke the improperly granted prior exemption or exemptions. If the  
46 assessor is advised [through the state board] that the department [of  
47 taxation and finance] was unable to verify the income eligibility of one  
48 or more participants in the income verification program, the assessor  
49 shall mail that person or those persons a notice in a form prescribed by  
50 the [state board] DEPARTMENT requesting that the person or persons docu-  
51 ment their income in the same manner and to the same extent as if the  
52 person or persons were submitting an initial application for the  
53 enhanced STAR exemption. If such income documentation is not provided  
54 within forty-five days of such request, or if the documentation provided  
55 does not establish the eligibility of the person or persons to the  
56 assessor's satisfaction, the assessor shall treat the exemption as an

1 improperly granted exemption and proceed in the manner provided by this  
2 subdivision.

3 S 13. Section 489-o of the real property tax law, as added by chapter  
4 86 of the laws of 1963, subdivision 2 as amended by chapter 735 of the  
5 laws of 1983, and subdivision 3 as added by chapter 841 of the laws of  
6 1986, is amended to read as follows:

7 S 489-o. Final determination of railroad ceiling; certificate. 1.  
8 After the hearing provided for in section four hundred eighty-nine-n of  
9 this [chapter] TITLE, the state board OF REAL PROPERTY TAX SERVICES  
10 shall finally determine the railroad ceiling for the railroad real prop-  
11 erty of each railroad company situated in each assessing unit. Whenever  
12 upon complaint the state board shall revise the local reproduction cost  
13 of a railroad company in an assessing unit, it shall revise the railroad  
14 ceiling therefor to reflect such revision, but it shall not, on account  
15 of such revision, modify any other determination with respect to the  
16 railroad ceilings for such railroad company for such year. Notwith-  
17 standing the fact that no complaint shall have been filed with respect  
18 to a tentative determination of a railroad ceiling, the state board  
19 shall give effect to any special equalization rate established, pursuant  
20 to subdivision two of section four hundred eighty-nine-l of this [chap-  
21 ter] TITLE prior to the final determination of the railroad ceiling.

22 2. Not later than ten days before the last date prescribed by law for  
23 the levy of taxes, the state board shall file a certificate setting  
24 forth each railroad ceiling as finally determined with the assessor of  
25 the appropriate assessing unit or the town or county assessor who  
26 prepares a copy of the applicable part of the town or county assessment  
27 roll for village tax purposes as provided in subdivision three of  
28 section fourteen hundred two of this chapter, and at the same time  
29 shall transmit to each railroad company for which such ceiling has been  
30 determined a duplicate copy of such certificate.

31 3. Any final determination of a railroad ceiling by the state board  
32 pursuant to subdivision one of this section shall be subject to judicial  
33 review in a proceeding under article seventy-eight of the civil practice  
34 law and rules.

35 S 14. Subdivision 1 of section 489-ll of the real property tax law, as  
36 added by chapter 920 of the laws of 1977, is amended to read as follows:

37 1. After the hearing provided for in section four hundred eighty-  
38 nine-kk of this [chapter] TITLE, the state board OF REAL PROPERTY TAX  
39 SERVICES shall finally determine the railroad ceiling for the railroad  
40 real property of each railroad company situated in each assessing unit.  
41 Whenever upon complaint the state board shall revise the local reprod-  
42 uction cost of a railroad company in an assessing unit, it shall revise  
43 the appropriate railroad ceiling to reflect such revision, but it shall  
44 not, on account of such revision, modify any other determination with  
45 respect to the railroad ceilings for such railroad company for such  
46 year. Notwithstanding the fact that no complaint shall have been filed  
47 with respect to a tentative determination of a railroad ceiling, the  
48 state board shall give effect to any special equalization rate estab-  
49 lished pursuant to subdivision two of section four hundred eighty-nine-  
50 jj of this [chapter] TITLE prior to the final determination of the rail-  
51 road ceiling.

52 S 15. Section 614 of the real property tax law is amended to read as  
53 follows:

54 S 614. Determination of final assessment of special franchises.  
55 After [the hearing of complaints, if any, as provided in] RECEIVING THE  
56 COMMISSIONER'S REPORT REGARDING ANY COMPLAINT FILED PURSUANT TO section

1 six hundred twelve of this [chapter] ARTICLE, the state board OF REAL  
2 PROPERTY TAX SERVICES shall determine the final assessment of each  
3 special franchise.

4 S 16. Subdivision 2 of section 740 of the real property tax law, as  
5 added by chapter 732 of the laws of 1983, is amended to read as follows:

6 2. A petition and notice shall be served by delivering two copies to  
7 [a member of the state board] THE COMMISSIONER or to an officer or  
8 employee authorized by [the board] HIM OR HER to accept service, not  
9 more than sixty days after the written notice of the final assessment  
10 prescribed by section six hundred eighteen of this chapter has been  
11 served. Where a proceeding is commenced by an assessing unit in which a  
12 special franchise is situated, an additional copy shall be filed by the  
13 petitioner with the owner of that special franchise. Where a proceeding  
14 is commenced by a special franchise owner, the petitioner, within ten  
15 days after service, shall file an additional copy with the clerk of the  
16 city, town or village and with the clerk of the school district in which  
17 that special franchise is situated except a school district governed by  
18 the provisions of article fifty-two of the education law.

19 S 17. Section 1210 of the real property tax law, as amended by chapter  
20 355 of the laws of 1990, is amended to read as follows:

21 S 1210. Establishment of final state equalization rates, class ratios  
22 and class equalization rates. After [hearing the complaints, if any, as  
23 provided in] RECEIVING THE COMMISSIONER'S REPORT REGARDING ANY COMPLAINT  
24 FILED PURSUANT TO section twelve hundred eight of this [chapter] TITLE,  
25 the state board OF REAL PROPERTY TAX SERVICES shall establish the final  
26 state equalization rate, class ratios, and class equalization rates, if  
27 required, for each city, town, village, special assessing unit, or  
28 approved assessing unit or eligible non-assessing unit village which has  
29 adopted the provisions of section nineteen hundred three of this chap-  
30 ter.

31 S 18. Section 1218 of the real property tax law, as amended by chapter  
32 685 of the laws of 2004, is amended to read as follows:

33 S 1218. Review of final determinations of state board OF REAL PROPERTY  
34 TAX SERVICES relating to state equalization rates. A final determination  
35 of the state board OF REAL PROPERTY TAX SERVICES relating to state  
36 equalization rates may be reviewed by commencing an action in the appel-  
37 late division of the supreme court in the manner provided by article  
38 seventy-eight of the civil practice law and rules upon application of  
39 the county, city, town or village for which the rate or rates were  
40 established. The standard of review in such a proceeding shall be as  
41 specified in subdivision four of section seventy-eight hundred three of  
42 the civil practice law and rules. Whenever a final order is issued in  
43 such a proceeding directing a revised state equalization rate, any coun-  
44 ty, village or school district that used the former rate in the appor-  
45 tionment of taxes must, upon receipt of such final order, recalculate  
46 the levy that used such former rate and credit or debit as appropriate  
47 its constituent municipalities in its next levy. Any special franchise  
48 assessments that were established using the former rate must, upon  
49 receipt of such final order, be revised by the state board in accordance  
50 with the new rate, and, if taxes have already been levied upon such  
51 assessments, the affected special franchise owners shall either automat-  
52 ically receive a refund if there is a decrease or be taxed on an  
53 increase in the next levy in the manner provided for omitted parcels in  
54 title three of article five of this chapter.

55 S 19. Subdivision (e) of section 15 of the tax law, as amended by  
56 chapter 161 of the laws of 2005, is amended to read as follows:

1 (e) Eligible real property taxes. The term "eligible real property  
2 taxes" means taxes imposed on real property which is owned by the QEZE  
3 and located in an empire zone with respect to which the QEZE is certi-  
4 fied pursuant to article eighteen-B of the general municipal law,  
5 provided such taxes are paid by the QEZE which is the owner of the real  
6 property or are paid by a tenant which either (i) does not meet the  
7 eligibility requirements under section fourteen of this article to be a  
8 QEZE or (ii) cannot treat such payment as eligible real property taxes  
9 pursuant to this paragraph and such taxes become a lien on the real  
10 property during a taxable year in which the owner of the real property  
11 is both certified pursuant to article eighteen-B of the general municipi-  
12 pal law and a qualified empire zone enterprise. In addition, "eligible  
13 real property taxes" shall include taxes paid by a QEZE which is a  
14 lessee of real property if the following conditions are satisfied: (1)  
15 the taxes must be paid by the lessee pursuant to explicit requirements  
16 in a written lease executed or amended on or after June first, two thou-  
17 sand five, (2) such taxes become a lien on the real property during a  
18 taxable year in which the lessee of the real property is both certified  
19 pursuant to article eighteen-B of the general municipal law and a quali-  
20 fied empire zone enterprise, and (3) the lessee has made direct payment  
21 of such taxes to the taxing authority and has received a receipt for  
22 such payment of taxes from the taxing authority. In addition, the term  
23 "eligible real property taxes" includes payments in lieu of taxes made  
24 by the QEZE to the state, a municipal corporation or a public benefit  
25 corporation pursuant to a written agreement entered into between the  
26 QEZE and the state, municipal corporation, or public benefit corpo-  
27 ration. Provided, however, a payment in lieu of taxes made by the QEZE  
28 pursuant to a written agreement executed or amended on or after January  
29 first, two thousand one, shall not constitute eligible real property  
30 taxes in any taxable year to the extent that such payment exceeds the  
31 product of (A) the greater of (i) the basis for federal income tax  
32 purposes, calculated without regard to depreciation, determined as of  
33 the effective date of the QEZE's certification pursuant to article eigh-  
34 teen-B of the general municipal law of real property, including build-  
35 ings and structural components of buildings, owned by the QEZE and  
36 located in empire zones with respect to which the QEZE is certified  
37 pursuant to such article eighteen-B of the general municipal law, and  
38 provided that if such basis is further adjusted or reduced pursuant to  
39 any provision of the internal revenue code, the QEZE may petition the  
40 department[,] AND the department of economic development [and the office  
41 of real property services] to disregard such reduction or adjustment for  
42 the purpose of this subdivision or (ii) the basis for federal income tax  
43 purposes of such real property described in clause (i) of this subpara-  
44 graph, calculated without regard to depreciation, on the last day of the  
45 taxable year, and provided that if such basis is further adjusted or  
46 reduced pursuant to any provision of the internal revenue code, the QEZE  
47 may petition the department, the department of economic development and  
48 the office of real property services to disregard such reduction or  
49 adjustment for the purpose of this subdivision; and (B) the estimated  
50 effective full value tax rate within the county in which such property  
51 is located, as most recently [reported to] CALCULATED BY the commission-  
52 er [by the secretary of the state board of real property services, or  
53 his or her designee]. The [state board] COMMISSIONER shall annually  
54 calculate estimated effective full value tax rates within each county  
55 for this purpose based upon the most current information available to

1 [it] HIM OR HER in relation to county, city, town, village and school  
2 district taxes.

3 S 20. Paragraph 5 of subdivision (b) of section 22 of the tax law, as  
4 amended by section 4 of part H of chapter 577 of the laws of 2004, is  
5 amended to read as follows:

6 (5) Eligible real property taxes. The term "eligible real property  
7 taxes" means taxes imposed on real property which consists of a quali-  
8 fied site owned by the developer, provided such taxes become a lien on  
9 the real property in a period during which the real property is a quali-  
10 fied site. In addition, the term "eligible real property taxes" includes  
11 payments in lieu of taxes by the developer, with respect to a qualified  
12 site, to the state, a municipal corporation or a public benefit corpo-  
13 ration pursuant to a written agreement entered into between the develop-  
14 er and the state, a municipal corporation or a public benefit corpo-  
15 ration. Provided, however, such a payment in lieu of taxes shall not  
16 constitute eligible real property taxes in any taxable year to the  
17 extent that such payment exceeds the product of (A) the greater of (i)  
18 the basis for federal income tax purposes, determined on the date the  
19 taxpayer becomes a developer as defined under this section, of real  
20 property, including buildings and structural components of buildings,  
21 owned by the developer and located on a qualified site with respect to  
22 which the taxpayer is a developer, or (ii) the basis for federal income  
23 tax purposes of such real property described in clause (i) of this  
24 subparagraph on the last day of the taxable year, and (B) the estimated  
25 effective full value tax rate within the county in which such property  
26 is located, as most recently [reported to] CALCULATED BY the commission-  
27 er [by the secretary of the state board of real property services, or  
28 his or her designee]. The [state board] COMMISSIONER shall annually  
29 calculate estimated and effective full value tax rates within each coun-  
30 ty for this purpose based upon the most current information available to  
31 [it] HIM OR HER in relation to county, city, town, village and school  
32 district taxes. Provided further, where the amount of the credit deter-  
33 mined under paragraph two of this subdivision is the total product of  
34 the factors and tax specified therein, the term "eligible real property  
35 taxes" under this paragraph shall apply only to taxes imposed on real  
36 property which is attributed to a qualified site located in an environ-  
37 mental zone. Where the developer is a partner in a partnership or a  
38 shareholder in a New York S corporation, such real property shall be  
39 owned by the partnership or the New York S corporation, respectively.

40 S 20-a. Subdivision 2 of section 170 of the tax law, as amended by  
41 chapter 282 of the laws of 1986, is amended and a new subdivision 7-a is  
42 added to read as follows:

43 2. Existing divisions or bureaus in the department of taxation and  
44 finance or transferred to the department shall continue until consol-  
45 idated or abolished pursuant to this section. There shall be in the  
46 department of taxation and finance a division of taxation, a division of  
47 the treasury, a division of the lottery, AN OFFICE OF REAL PROPERTY TAX  
48 SERVICES, and a division of tax appeals.

49 7-A. THE HEAD OF THE OFFICE OF REAL PROPERTY TAX SERVICES SHALL BE AN  
50 OFFICER TO BE APPOINTED AND HOLD OFFICE AS PROVIDED BY SECTION TWO  
51 HUNDRED THREE OF THE REAL PROPERTY TAX LAW.

52 S 21. Subdivision twenty-fifth of section 171 of the tax law, as  
53 amended by chapter 170 of the laws of 1994, paragraph a as amended by  
54 section 93 of part A of chapter 436 of the laws of 1997, paragraph b as  
55 amended and paragraph c as added by chapter 474 of the laws of 1996, is  
56 amended to read as follows:

1 Twenty-fifth. a. With respect to the income to be used in the computa-  
2 tion of school aid payable in the school year nineteen hundred ninety-  
3 four--ninety-five and thereafter, be required to design, develop and  
4 implement a permanent computerized statewide school district address  
5 match and income verification system in regard to each school district's  
6 valuation of total New York adjusted gross income as determined by the  
7 department, for use in determining state aid to education. The depart-  
8 ment shall promulgate rules and regulations to effect the provisions of  
9 this paragraph within ninety days of the enactment of the chapter of the  
10 laws of nineteen hundred ninety-four amending this paragraph. Commencing  
11 September first, nineteen hundred ninety-seven, the commissioner[, ] AND  
12 the commissioner of education[, and the executive director of the office  
13 of real property services], subject to the approval of the director of  
14 the budget shall be required to enter into a cooperative agreement by  
15 September first of each year, which will govern the validation and  
16 correction and completion of the total New York adjusted gross income of  
17 school districts until September first of the following year. Such  
18 agreement shall include, but not be limited to: (i) procedures to  
19 improve the accuracy of school district income data, in a manner which  
20 gives appropriate recognition to computerized processing capabilities,  
21 administrative feasibility of manual processes and confidentiality  
22 implications; (ii) procedures to verify the school district codes  
23 reported by taxpayers; (iii) procedures to correct identified inaccura-  
24 cies; (iv) procedures to assign school district codes based on the  
25 permanent residence addresses of taxpayers who failed to complete the  
26 school district code; (v) the schedule for the transmittal of electronic  
27 data between the agencies, as necessary, to implement such system; and  
28 (vi) beginning in the nineteen hundred ninety-six state fiscal year,  
29 procedures for the review process provided for in paragraph c of this  
30 subdivision. All state departments and agencies, and school districts  
31 and other local governments and agencies, shall cooperate with the  
32 parties to such agreement in its implementation.

33 b. 1. [With respect to income used in the computation of school aid  
34 payable in the school years nineteen hundred ninety-four--ninety-five  
35 through nineteen hundred ninety-seven--ninety-eight, be required to  
36 design, develop and implement a process whereby school districts may  
37 request a review of the assignment of taxpayer addresses to their school  
38 district. In addition to the cooperative agreement developed pursuant to  
39 paragraph a of this subdivision between the commissioner, the commis-  
40 sioner of education and the director of the office of real property  
41 services, the parties shall enter into a second cooperative agreement to  
42 establish procedures for such a review process. Such procedures shall  
43 include but not be limited to: (i) general criteria to be used for the  
44 purpose of evaluating suspected inaccuracies in the assignment of tax  
45 returns to school districts; (ii) a process for rating the requests for  
46 review, giving appropriate recognition to the relative incidence of  
47 suspected inaccuracies, the relative effect of suspected inaccuracies on  
48 the aggregate income, income per return and relative income per pupil of  
49 the school district, and the relative effect of suspected inaccuracies  
50 on state aid payable to the school district pursuant to the education  
51 law; (iii) a process for identifying the school districts for partic-  
52 ipation in the review process from the rated list of applicants; (iv)  
53 processes by which addresses assigned to identified school districts  
54 will be reviewed and by which corrections to inaccuracies will be iden-  
55 tified; (v) a process by which corrections to inaccurate assignments  
56 will be made to appropriate files; and (vi) deadlines by which school

1 districts must submit requests for review to the commissioner of educa-  
2 tion and timelines for each of the procedures included in the agreement.  
3 2. School districts requesting a review in accordance with the  
4 provisions of this paragraph shall be required, in consultation with the  
5 district superintendent of schools for the supervisory district in which  
6 the school district is located, appointed pursuant to section nineteen  
7 hundred fifty of the education law, to submit to the commissioner of  
8 education evidence in support of a contention that the assignment of tax  
9 returns to their district is inaccurate. Identified school districts may  
10 be required to review ordered listings, prepared by the department or  
11 the office of real property services or an authorized vendor contracted  
12 by the department, of the permanent resident address of selected taxpay-  
13 ers who filed personal income tax returns with the department reporting  
14 a school district code or address which indicates that the taxpayer was  
15 a resident of such identified school district at the close of the taxa-  
16 ble year for which the return was filed. In no case shall ordered  
17 address listings for school district review include those addresses  
18 which the school district had the opportunity to review pursuant to  
19 paragraph a of this subdivision. District superintendents of schools  
20 appointed pursuant to section nineteen hundred fifty of the education  
21 law, having an identified school district within their supervisory  
22 district, shall be required to verify any suspected inaccuracies indi-  
23 cated by an identified district as a result of the district's review of  
24 ordered address listings pursuant to this paragraph.

25 3.] Any correction, pursuant to this paragraph, of verified inaccura-  
26 cies of income data shall only result in the removal of such returns  
27 from the identified school district.

28 [4.] 2. All state departments and agencies, and school districts and  
29 other local governments and agencies, shall cooperate with the parties  
30 to such agreement in the implementation of the review process provided  
31 pursuant to this paragraph.

32 c. 1. With respect to income used in the computation of school aid  
33 payable in the school years nineteen hundred ninety-eight--ninety-nine  
34 and thereafter, be required to design, develop and implement a process  
35 whereby school districts may request a review of the assignment of  
36 taxpayer addresses to their school district. Procedures for such a  
37 review process shall be included in the cooperative agreement entered  
38 into pursuant to paragraph a of this subdivision.

39 2. School districts requesting a review in accordance with the  
40 provisions of this paragraph shall be required, in consultation with the  
41 district superintendent of schools for the supervisory district in which  
42 the school district is located, appointed pursuant to section nineteen  
43 hundred fifty of the education law, to submit to the commissioner of  
44 education evidence in support of a contention that the assignment of tax  
45 returns to their district is inaccurate. Identified school districts may  
46 be required to review ordered listings, prepared by the department [or  
47 the office of real property services] or an authorized vendor contracted  
48 by the department, of the permanent resident address of selected taxpay-  
49 ers who filed personal income tax returns with the department reporting  
50 a school district code or address which indicates that the taxpayer was  
51 a resident of such identified school district at the close of the taxa-  
52 ble year for which the return was filed. In no case shall ordered  
53 address listings for school district review include those addresses  
54 which the school district had the opportunity to review pursuant to  
55 paragraph a of this subdivision. District superintendents of schools  
56 appointed pursuant to section nineteen hundred fifty of the education

1 law, having an identified school district within their supervisory  
2 district, shall be required to verify any suspected inaccuracies indi-  
3 cated by an identified district as a result of the district's review of  
4 ordered address listings pursuant to this paragraph.

5 3. Any correction, pursuant to this paragraph, of verified inaccura-  
6 cies of income data shall only result in the removal of such returns  
7 from the identified school district.

8 4. All state departments and agencies, and school districts and other  
9 local governments and agencies, shall cooperate with the parties to such  
10 agreement in the implementation of the review process provided pursuant  
11 to this paragraph.

12 S 22. Section 171-o of the tax law, as amended by chapter 631 of the  
13 laws of 2006, is amended to read as follows:

14 S 171-o. Income verification for [the state board of real property  
15 services and] a city with a population of one million or more. (1) The  
16 department shall enter into an agreement with [the state board of real  
17 property services to verify, to the extent practicable, whether persons  
18 described in paragraph (b) of subdivision four of section four hundred  
19 twenty-five of the real property tax law meet the income eligibility  
20 requirements prescribed therein for the applicable income tax year,  
21 beginning with the income tax year ending in two thousand two. The  
22 department shall also enter into an agreement with] a city with a popu-  
23 lation of one million or more to verify, to the extent practicable,  
24 whether persons described in paragraph (b) of subdivision four of  
25 section four hundred twenty-five of the real property tax law meet the  
26 income eligibility requirements prescribed therein for the applicable  
27 income tax year, beginning with the income tax year ending in two thou-  
28 sand five. The department shall advise the [state board of real property  
29 services, or] city[, as the case may be,] of its findings, stating in  
30 each case either that such person or persons do or do not satisfy such  
31 requirements, or that the eligibility of such person or persons cannot  
32 be verified, whichever is appropriate. The department shall not provide  
33 any other information about the income of such persons to the [state  
34 board of real property services or] city.

35 (2) The provisions of article six of the public officers law shall not  
36 apply to any information that the department obtains from or provides to  
37 the [state board of real property services or] city pursuant to this  
38 section.

39 (3) Any information furnished by the department pursuant to this  
40 section shall be deemed confidential and the assessor, any municipal  
41 officer or municipal employees are prohibited from disclosing any such  
42 information, except for any disclosure necessary in the performance of  
43 their official duties in connection with the school tax relief (STAR)  
44 exemption pursuant to section four hundred twenty-five of the real prop-  
45 erty tax law. Any unauthorized disclosure of such information shall be  
46 deemed a violation of section eight hundred five-a of the general munic-  
47 ipal law.

48 S 23. Paragraph 12 of subsection (e) of section 606 of the tax law is  
49 REPEALED.

50 S 24. Paragraphs 3, 4 and 5 of subsection (k) of section 697 of the  
51 tax law, as amended by chapter 237 of the laws of 1995, are amended to  
52 read as follows:

53 [(3) Notwithstanding the provisions of subsection (e) of this section,  
54 the department or authorized vendor contracted by the department shall  
55 furnish annually, as required pursuant to subdivision twenty-fifth of  
56 section one hundred seventy-one of this chapter, to the executive direc-

1 tor of the office of real property services, electronic file transfers  
2 of the permanent residence address of each taxpayer who has filed a  
3 personal income tax return with the department. Such transfers shall be  
4 in accordance with the schedule established pursuant to the agreement  
5 developed in accordance with paragraph d of subdivision twenty-fifth of  
6 section one hundred seventy-one of this chapter. Similarly, the office  
7 of real property services shall, subject to the availability of funds  
8 appropriated for this purpose, verify or correct or determine the school  
9 district for each such residence address provided by the department and  
10 shall return such updated data to the department in accordance with the  
11 provisions of such agreement.]

12 (4) Notwithstanding the provisions of subsection (e) of this section,  
13 the department [or the office of real property services] or an author-  
14 ized vendor contracted by the department shall furnish, as required  
15 pursuant to subdivision twenty-fifth of section one hundred seventy-one  
16 of this chapter, to the superintendents of schools of identified school  
17 districts and district superintendents of schools appointed pursuant to  
18 section nineteen hundred fifty of the education law, having an identi-  
19 fied school district within their supervisory district, an ordered list-  
20 ing, for such identified school districts electing to participate in the  
21 appeals process for a limited school district address review validation  
22 and correction process.

23 (5) The information provided pursuant to this section and subdivision  
24 twenty-fifth of section one hundred seventy-one of this chapter shall be  
25 used solely for the purpose of verifying the legal residence and school  
26 district of a taxpayer in determining the distribution of state aid for  
27 education and such information may only be disclosed by such commission-  
28 er, [director,] superintendents and authorized vendor contracted by the  
29 department for such purposes to employees of the state education depart-  
30 ment, [employees of the state office of real property services] and to  
31 employees under the control of such superintendents. In addition,  
32 notwithstanding the provisions of subsection (e) of this section, the  
33 department may furnish to an authorized vendor contracted by the depart-  
34 ment the permanent resident address and school code data necessary for  
35 the implementation of the temporary school district address review vali-  
36 dation and correction process, the pilot computerized address match and  
37 income verification project, or the permanent computerized statewide  
38 school district address match and income verification system pursuant to  
39 subdivision twenty-fifth of section one hundred seventy-one of this  
40 chapter. Any violation of the provisions of this section shall be  
41 punishable in the manner provided for in subsection (e) of this section.  
42 Any information obtained by any agency or person pursuant to the  
43 provisions of this section shall not be deemed a "record", as defined in  
44 subdivision four of section eighty-six of the public officers law.

45 S 25. Subdivision 3 of section 1564 of the tax law, as amended by  
46 chapter 17 of the laws of 2008, is amended to read as follows:

47 3. An exemption from the tax which is equal to the median sales price  
48 of residential real property within the applicable town or city, as  
49 determined by the [office of real property services pursuant to proce-  
50 dures adopted for this purpose by the state board of real property  
51 services established pursuant to article two of the real property tax  
52 law] COMMISSIONER, shall be allowed on the consideration of the convey-  
53 ance of improved or unimproved real property or an interest therein.

54 S 26. This act shall take effect immediately.