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

931

2009-2010 Regular Sessions

I N A S S E M B L Y

(PREFILED)

January 7, 2009

Introduced by M. of A. DelMONTE -- read once and referred to the Committee on Real Property Taxation

AN ACT to amend the real property tax law, in relation to establishing a residential-commercial urban exemption and school tax exemption for cities with a population of fifty-five thousand to fifty-six thousand

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

Section 1. The real property tax law is amended by adding a new section 485-n to read as follows:

S 485-N. RESIDENTIAL-COMMERCIAL URBAN EXEMPTION; CERTAIN CITIES PROGRAM. 1. DEFINITIONS. AS USED IN THIS SECTION, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

(A) "MUNICIPALITY" MEANS ANY CITY HAVING FIFTY-FIVE TO FIFTY-SIX THOUSAND INHABITANTS.

(B) "APPLICANT" MEANS ANY PERSON OBLIGATED TO PAY REAL PROPERTY TAXES ON THE PROPERTY FOR WHICH AN EXEMPTION FROM REAL PROPERTY TAXES UNDER THIS SECTION IS SOUGHT.

(C) "COMMERCIAL CONSTRUCTION WORK" MEANS THE MODERNIZATION, REHABILITATION, EXPANSION OR OTHER IMPROVEMENT OF THE PORTION OF MIXED-USE PROPERTY TO BE USED FOR COMMERCIAL PURPOSES.

(D) "COMMERCIAL PURPOSE OR USE" MEANS THE BUYING, SELLING OR OTHERWISE PROVIDING OF GOODS OR SERVICES, INCLUDING HOTEL SERVICES, OR OTHER LAWFUL BUSINESS OR COMMERCIAL ACTIVITIES PERMITTED IN MIXED-USE PROPERTY.

(E) "MIXED-USE PROPERTY" MEANS PROPERTY ON WHICH WILL EXIST, AFTER COMPLETION OF RESIDENTIAL CONSTRUCTION WORK OR A COMBINATION OF RESIDENTIAL CONSTRUCTION WORK AND COMMERCIAL CONSTRUCTION WORK, A BUILDING OR STRUCTURE USED FOR BOTH RESIDENTIAL AND COMMERCIAL PURPOSES.

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

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(F) "PERSON" MEANS AN INDIVIDUAL, CORPORATION, LIMITED LIABILITY COMPANY, PARTNERSHIP, ASSOCIATION, AGENCY, TRUST, ESTATE, FOREIGN OR DOMESTIC GOVERNMENT OR SUBDIVISION THEREOF, OR OTHER ENTITY.

(G) "RESIDENTIAL CONSTRUCTION WORK" MEANS THE CREATION, MODERNIZATION, REHABILITATION, EXPANSION OR OTHER IMPROVEMENT OF DWELLING UNITS, OTHER THAN DWELLING UNITS IN A HOTEL, IN THE PORTION OF MIXED-USE PROPERTY TO BE USED FOR RESIDENTIAL PURPOSES.

2. ANY MUNICIPALITY MAY, BY LOCAL LAW, PROVIDE FOR THE EXEMPTION OF REAL PROPERTY FROM TAXATION AS PROVIDED IN THIS SECTION. UPON THE ADOPTION OF SUCH A LOCAL LAW, THE COUNTY IN WHICH SUCH MUNICIPALITY IS LOCATED MAY, BY LOCAL LAW, AND ANY SCHOOL DISTRICT, ALL OR PART OF WHICH IS LOCATED IN SUCH MUNICIPALITY, MAY, BY RESOLUTION, EXEMPT SUCH PROPERTY FROM ITS TAXATION IN THE SAME MANNER AND TO THE SAME EXTENT AS SUCH MUNICIPALITY HAS DONE.

3. UPON THE ADOPTION OF SUCH A LOCAL LAW, NON-RESIDENTIAL REAL PROPERTY, UPON CONVERSION TO MIXED-USE PROPERTY, SHALL BE EXEMPT FROM TAXATION AND SPECIAL AD VALOREM LEVIES AS PROVIDED FOR IN SUBDIVISION FOUR OF THIS SECTION.

4. (A) (I) FOR A PERIOD OF TWELVE YEARS FROM THE APPROVAL OF AN APPLICATION, THE INCREASE IN ASSESSED VALUE OF SUCH PROPERTY ATTRIBUTABLE TO SUCH CONVERSION SHALL BE EXEMPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH. SUCH EXEMPTION SHALL BE COMPUTED WITH RESPECT TO THE "EXEMPTION BASE". THE EXEMPTION BASE SHALL BE DETERMINED FOR EACH YEAR IN WHICH THERE IS AN INCREASE IN ASSESSED VALUE SO ATTRIBUTABLE FROM THAT OF THE PREVIOUS YEAR'S ASSESSED VALUE.

(II) THE FOLLOWING TABLE SHALL ILLUSTRATE THE COMPUTATION OF THE TAX EXEMPTION:

YEAR OF EXEMPTION	PERCENTAGE OF EXEMPTION
1 THROUGH 8	100% OF EXEMPTION BASE
9	80% OF EXEMPTION BASE
10	60% OF EXEMPTION BASE
11	40% OF EXEMPTION BASE
12	20% OF EXEMPTION BASE

(B) NO SUCH EXEMPTION SHALL BE GRANTED UNLESS

(I) SUCH CONVERSION WAS COMMENCED SUBSEQUENT TO THE DATE ON WHICH THE MUNICIPALITY'S LOCAL LAW TOOK EFFECT; AND

(II) THE COST OF SUCH CONVERSION EXCEEDS THE SUM OF TEN THOUSAND DOLLARS OR SUCH GREATER AMOUNT AS MAY BE SPECIFIED BY LOCAL LAW.

(C) FOR PURPOSES OF THIS SECTION THE TERM CONVERSION SHALL NOT INCLUDE ORDINARY MAINTENANCE AND REPAIRS.

(D) NO SUCH EXEMPTION SHALL BE GRANTED CONCURRENT WITH OR SUBSEQUENT TO ANY OTHER REAL PROPERTY TAX EXEMPTION GRANTED TO THE SAME IMPROVEMENTS TO REAL PROPERTY, EXCEPT, WHERE DURING THE PERIOD OF SUCH PREVIOUS EXEMPTION, PAYMENTS IN LIEU OF TAXES OR OTHER PAYMENTS WERE MADE TO THE LOCAL GOVERNMENT IN AN AMOUNT THAT WOULD HAVE BEEN EQUAL TO OR GREATER THAN THE AMOUNT OF REAL PROPERTY TAXES THAT WOULD HAVE BEEN PAID ON SUCH IMPROVEMENTS HAD SUCH PROPERTY BEEN GRANTED AN EXEMPTION PURSUANT TO THIS SECTION. IN SUCH CASE, AN EXEMPTION SHALL BE GRANTED FOR A NUMBER OF YEARS EQUAL TO THE TWELVE YEAR EXEMPTION GRANTED PURSUANT TO THIS SECTION LESS THE NUMBER OF YEARS THE PROPERTY WOULD HAVE BEEN PREVIOUSLY EXEMPT FROM REAL PROPERTY TAXES.

5. SUCH EXEMPTION SHALL BE GRANTED ONLY UPON APPLICATION BY THE OWNER OF SUCH REAL PROPERTY ON A FORM PRESCRIBED BY THE STATE BOARD. SUCH

APPLICATION SHALL BE FILED WITH THE ASSESSOR OF THE MUNICIPALITY OR COUNTY HAVING THE POWER TO ASSESS PROPERTY FOR TAXATION ON OR BEFORE THE APPROPRIATE TAXABLE STATUS DATE OF SUCH MUNICIPALITY OR COUNTY.

6. IF THE ASSESSOR IS SATISFIED THAT THE APPLICANT IS ENTITLED TO AN EXEMPTION PURSUANT TO THIS SECTION, HE OR SHE SHALL APPROVE THE APPLICATION AND SUCH REAL PROPERTY SHALL THEREAFTER BE EXEMPT FROM TAXATION AND SPECIAL AD VALOREM LEVIES AS IN THIS SECTION PROVIDED COMMENCING WITH THE ASSESSMENT ROLL PREPARED AFTER THE TAXABLE STATUS DATE REFERRED TO IN SUBDIVISION FIVE OF THIS SECTION. THE ASSESSED VALUE OF ANY EXEMPTION GRANTED PURSUANT TO THIS SECTION SHALL BE ENTERED BY THE ASSESSOR ON THE ASSESSMENT ROLL WITH THE TAXABLE PROPERTY, WITH THE AMOUNT OF THE EXEMPTION SHOWN IN A SEPARATE COLUMN.

7. REAL PROPERTY WHICH SATISFIES THE REQUIREMENTS OF THIS SECTION MAY BE EXEMPT FROM TAXATION FOR SCHOOL PURPOSES AS PROVIDED HEREIN.

8. THERE SHALL BE AN EXEMPTION FOR PROPERTY OWNED BY PERSONS WHO HAVE CONVERTED NON-RESIDENTIAL REAL PROPERTY TO MIXED-USE PROPERTY IN A MUNICIPALITY AS DEFINED IN PARAGRAPH (E) OF SUBDIVISION ONE OF THIS SECTION. THE EXEMPTION MAY BE COMPUTED AS SET FORTH IN SUBDIVISION FOUR OF THIS SECTION.

9. TO RECEIVE THE EXEMPTION PROVIDED FOR IN SUBDIVISION EIGHT OF THIS SECTION, OWNERS OF QUALIFYING PROPERTY MUST FILE AN APPLICATION WITH THEIR LOCAL ASSESSOR ON OR BEFORE THE APPLICABLE TAXABLE STATUS DATE ON A FORM PRESCRIBED BY THE STATE BOARD.

10. THE EXEMPTION PROVIDED IN SUBDIVISION EIGHT OF THIS SECTION SHALL BE GRANTED ONLY UPON APPLICATION BY THE OWNER OF SUCH REAL PROPERTY ON A FORM PRESCRIBED BY THE STATE BOARD. SUCH APPLICATION SHALL BE FILED WITH THE ASSESSOR OF THE MUNICIPALITY OR COUNTY HAVING THE POWER TO ASSESS PROPERTY FOR TAXATION ON OR BEFORE THE APPROPRIATE TAXABLE STATUS DATE OF SUCH MUNICIPALITY OR COUNTY.

11. IF THE ASSESSOR IS SATISFIED THAT THE APPLICANT IS ENTITLED TO AN EXEMPTION PURSUANT TO SUBDIVISION EIGHT OF THIS SECTION, HE OR SHE SHALL APPROVE THE APPLICATION AND SUCH REAL PROPERTY SHALL THEREAFTER BE EXEMPT FROM SCHOOL TAXATION AS PROVIDED IN THIS SECTION, COMMENCING WITH THE ASSESSMENT ROLL PREPARED AFTER THE TAXABLE STATUS DATE REFERRED TO IN SUBDIVISION FIVE OF THIS SECTION. THE ASSESSED VALUE OF ANY EXEMPTION GRANTED PURSUANT TO SUBDIVISION EIGHT OF THIS SECTION SHALL BE ENTERED BY THE ASSESSOR ON THE ASSESSMENT ROLL WITH THE TAXABLE PROPERTY, WITH THE AMOUNT OF THE EXEMPTION SHOWN IN A SEPARATE COLUMN.

S 2. This act shall take effect on the one hundred eightieth day after it shall have become a law; provided that effective immediately, the state board of real property services is authorized to promulgate any and all rules and regulations and take any other measures necessary to implement this act on or before its effective date.