

2011-2012 Regular Sessions

I N S E N A T E

(PREFILED)

January 5, 2011

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:

1 Section 1. Section 581-a of the real property tax law, as added by
2 chapter 714 of the laws of 2005, is amended to read as follows:
3 S 581-a. Assessment of residential real property. Notwithstanding any
4 other provision of law, the assessed valuation of real property used for
5 residential rental purposes where at least twenty percent of the resi-
6 dential units are subject to an agreement with a municipality, the
7 state, the federal government, or an instrumentality thereof, which
8 agreement restricts occupancy of those units to tenants who qualify in
9 accordance with an income test, shall be determined using the income
10 approach as applied to the actual net operating income, after deducting
11 for reserves required by any federal, state or municipal programs. THE
12 PROVISIONS OF THIS SECTION SHALL NOT APPLY IN THE COUNTY OF ORLEANS. For
13 the purposes of this section "net operating income" shall mean the actu-
14 al or anticipated net income that remains after all operating expenses
15 are deducted from effective gross income, but before mortgage debt
16 service and book depreciation are deducted. The assessed valuation of
17 real property used for such residential rental purposes shall be deter-
18 mined using the actual net operating income, and shall not include
19 federal, state or municipal income tax credits, subsidized mortgage
20 financing, or project grants, where such subsidies are used to offset
21 the project development cost in order to provide for lower initial rents
22 as determined by regulations promulgated by the division of housing and
23 community renewal.
24 S 2. This act shall take effect immediately and shall apply to taxable
25 status dates occurring on or after the first of January next succeeding
26 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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