

8323

2013-2014 Regular Sessions

I N A S S E M B L Y

December 18, 2013

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

AN ACT to amend the real property tax law, in relation to exemption of
capital improvements to multiple dwellings within certain cities

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

1 Section 1. The real property tax law is amended by adding a new
2 section 421-n to read as follows:
3 S 421-N. EXEMPTION OF CAPITAL IMPROVEMENTS TO MULTIPLE DWELLING BUILD-
4 INGS WITHIN CERTAIN CITIES. 1. MULTIPLE DWELLING BUILDINGS, RECON-
5 STRUCTED, ALTERED, CONVERTED BACK TO AN OWNER OCCUPIED SINGLE FAMILY
6 DWELLING OR ANY OWNER OCCUPIED MULTIPLE DWELLING LOCATED IN ANY CITY
7 HAVING A POPULATION OF MORE THAN TEN THOUSAND INHABITANTS BUT LESS THAN
8 TWENTY THOUSAND INHABITANTS, DETERMINED IN ACCORDANCE WITH THE LATEST
9 FEDERAL DECENNIAL CENSUS, THAT IS REDUCED TO AT MOST TWO UNITS BY SUCH
10 RECONSTRUCTION SUBSEQUENT TO THE EFFECTIVE DATE OF A LOCAL LAW PURSUANT
11 TO THIS SECTION SHALL BE EXEMPT FROM TAXATION AND SPECIAL AD VALOREM
12 LEVIES TO THE EXTENT PROVIDED HEREINAFTER. AFTER A PUBLIC HEARING, THE
13 GOVERNING BOARD OF SUCH CITY MAY ADOPT A LOCAL LAW TO GRANT THE
14 EXEMPTION AUTHORIZED PURSUANT TO THIS SECTION. A COPY OF SUCH LOCAL LAW
15 SHALL BE FILED WITH THE COMMISSIONER AND THE ASSESSOR OF SUCH CITY WHO
16 PREPARES THE ASSESSMENT ROLL ON WHICH THE TAXES OF SUCH CITY ARE LEVIED.
17 2. (A) SUCH BUILDINGS WITHIN SUCH CITY SHALL BE EXEMPT FOR A PERIOD OF
18 ONE YEAR TO THE EXTENT OF ONE HUNDRED PERCENT OF THE INCREASE IN
19 ASSESSED VALUE ATTRIBUTABLE TO SUCH RECONSTRUCTION, ALTERATION OR
20 IMPROVEMENT AND FOR AN ADDITIONAL PERIOD OF SEVEN YEARS SUBJECT TO THE
21 FOLLOWING:
22 (I) THE EXTENT OF SUCH EXEMPTION SHALL BE DECREASED BY TWELVE AND
23 ONE-HALF PERCENT OF THE "EXEMPTION BASE" EACH YEAR DURING SUCH ADDI-
24 TIONAL PERIOD. THE "EXEMPTION BASE" SHALL BE THE INCREASE IN ASSESSED

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

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1 VALUE AS DETERMINED IN THE INITIAL YEAR OF THE TERM OF THE EXEMPTION,
2 EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH.

3 (II) IN ANY YEAR IN WHICH A CHANGE IN LEVEL OF ASSESSMENT OF FIFTEEN
4 PERCENT OR MORE IS CERTIFIED FOR A FINAL ASSESSMENT ROLL PURSUANT TO THE
5 RULES OF THE COMMISSIONER, THE EXEMPTION BASE SHALL BE MULTIPLIED BY A
6 FRACTION, THE NUMERATOR OF WHICH SHALL BE THE TOTAL ASSESSED VALUE OF
7 THE PARCEL ON SUCH FINAL ASSESSMENT ROLL (AFTER ACCOUNTING FOR ANY PHYS-
8 ICAL OR QUANTITY CHANGES TO THE PARCEL SINCE THE IMMEDIATELY PRECEDING
9 ASSESSMENT ROLL), AND THE DENOMINATOR OF WHICH SHALL BE THE TOTAL
10 ASSESSED VALUE OF THE PARCEL ON THE IMMEDIATELY PRECEDING FINAL ASSESS-
11 MENT ROLL. THE RESULT SHALL BE THE NEW EXEMPTION BASE. THE EXEMPTION
12 SHALL THEREUPON BE RECOMPUTED TO TAKE INTO ACCOUNT THE NEW EXEMPTION
13 BASE, NOTWITHSTANDING THE FACT THAT THE ASSESSOR RECEIVES CERTIFICATION
14 OF THE CHANGE IN LEVEL OF ASSESSMENT AFTER THE COMPLETION, VERIFICATION
15 AND FILING OF THE FINAL ASSESSMENT ROLL. IN THE EVENT THE ASSESSOR DOES
16 NOT HAVE CUSTODY OF THE ROLL WHEN SUCH CERTIFICATION IS RECEIVED, THE
17 ASSESSOR SHALL CERTIFY THE RECOMPUTED EXEMPTION TO THE LOCAL OFFICERS
18 HAVING CUSTODY AND CONTROL OF THE ROLL, AND SUCH LOCAL OFFICERS ARE
19 HEREBY DIRECTED AND AUTHORIZED TO ENTER THE RECOMPUTED EXEMPTION CERTI-
20 FIED BY THE ASSESSOR ON THE ROLL. THE ASSESSOR SHALL GIVE WRITTEN NOTICE
21 OF SUCH RECOMPUTED EXEMPTION TO THE PROPERTY OWNER, WHO MAY, IF HE OR
22 SHE BELIEVES THAT THE EXEMPTION WAS RECOMPUTED INCORRECTLY, APPLY FOR A
23 CORRECTION IN THE MANNER PROVIDED BY TITLE THREE OF ARTICLE FIVE OF THIS
24 CHAPTER FOR THE CORRECTION OF CLERICAL ERRORS.

25 (III) SUCH EXEMPTION SHALL BE LIMITED TO ONE HUNDRED THOUSAND DOLLARS
26 IN INCREASED MARKET VALUE, OR SUCH OTHER SUM LESS THAN ONE HUNDRED THOU-
27 SAND DOLLARS, BUT NOT LESS THAN TEN THOUSAND DOLLARS AS MAY BE PROVIDED
28 BY THE LOCAL LAW OR RESOLUTION, OF THE PROPERTY ATTRIBUTABLE TO SUCH
29 RECONSTRUCTION, ALTERATION OR IMPROVEMENT AND ANY INCREASE IN MARKET
30 VALUE GREATER THAN SUCH AMOUNT SHALL NOT BE ELIGIBLE FOR THE EXEMPTION
31 PURSUANT TO THIS SECTION. FOR THE PURPOSES OF THIS SECTION, THE MARKET
32 VALUE OF THE RECONSTRUCTION, ALTERATION OR IMPROVEMENT SHALL BE EQUAL TO
33 THE INCREASED ASSESSED VALUE ATTRIBUTABLE TO SUCH RECONSTRUCTION, ALTER-
34 ATION OR IMPROVEMENT DIVIDED BY THE MOST RECENTLY ESTABLISHED STATE
35 EQUALIZATION RATE FOR SUCH CITY. WHERE THE STATE EQUALIZATION RATE OR
36 SPECIAL EQUALIZATION RATE EQUALS OR EXCEEDS NINETY-FIVE PERCENT, THE
37 INCREASE IN ASSESSED VALUE ATTRIBUTABLE TO SUCH RECONSTRUCTION, ALTER-
38 ATION OR IMPROVEMENT SHALL BE DEEMED TO EQUAL THE MARKET VALUE OF SUCH
39 RECONSTRUCTION, ALTERATION OR IMPROVEMENT.

40 (B) NO SUCH EXEMPTION SHALL BE GRANTED FOR RECONSTRUCTION, ALTERATIONS
41 OR IMPROVEMENTS UNLESS:

42 (I) SUCH RECONSTRUCTION, ALTERATION OR CONVERTED IMPROVEMENT WAS
43 COMMENCED SUBSEQUENT TO THE EFFECTIVE DATE OF THE LOCAL LAW ADOPTED
44 PURSUANT TO SUBDIVISION ONE OF THIS SECTION BY SUCH CITY; AND

45 (II) THE VALUE OF SUCH RECONSTRUCTION, ALTERATION OR IMPROVEMENT
46 EXCEEDS FIVE THOUSAND DOLLARS; AND

47 (III) THE GREATER PORTION, AS SO DETERMINED BY SQUARE FOOTAGE, OF THE
48 BUILDING RECONSTRUCTED, ALTERED OR IMPROVED IS AT LEAST FIVE YEARS OLD.

49 (C) FOR PURPOSES OF THIS SECTION THE TERMS RECONSTRUCTION, ALTERATION
50 AND IMPROVEMENT SHALL NOT INCLUDE ORDINARY MAINTENANCE AND REPAIRS.

51 3. SUCH EXEMPTION SHALL BE GRANTED ONLY UPON APPLICATION BY THE OWNER
52 OF SUCH BUILDING ON A FORM PRESCRIBED BY THE COMMISSIONER. THE APPLICA-
53 TION SHALL BE FILED WITH THE ASSESSOR OF SUCH CITY ON OR BEFORE THE
54 APPROPRIATE TAXABLE STATUS DATE OF SUCH CITY.

55 4. IF SATISFIED THAT THE APPLICANT IS ENTITLED TO AN EXEMPTION PURSU-
56 ANT TO THIS SECTION, THE ASSESSOR SHALL APPROVE THE APPLICATION AND SUCH

1 BUILDING SHALL THEREAFTER BE EXEMPT FROM TAXATION AND SPECIAL AD VALOREM
2 LEVIES AS PROVIDED IN THIS SECTION COMMENCING WITH THE ASSESSMENT ROLL
3 PREPARED ON THE BASIS OF THE TAXABLE STATUS DATE REFERRED TO IN SUBDIVI-
4 SION THREE OF THIS SECTION. THE ASSESSED VALUE OF ANY EXEMPTION GRANTED
5 PURSUANT TO THIS SECTION SHALL BE ENTERED BY THE ASSESSOR ON THE ASSESS-
6 MENT ROLL WITH THE TAXABLE PROPERTY, WITH THE AMOUNT OF THE EXEMPTION
7 SHOWN IN A SEPARATE COLUMN.

8 5. FOR THE PURPOSES OF THIS SECTION, AN OWNER OCCUPIED MULTIPLE DWELL-
9 ING BUILDING SHALL MEAN ANY BUILDING OR STRUCTURE DESIGNED AND OCCUPIED
10 AS THE TEMPORARY OR PERMANENT RESIDENCE OR HOME OF TWO OR MORE FAMILIES,
11 INCLUDING THE OWNER OF SUCH BUILDING.

12 6. IN THE EVENT THAT A BUILDING GRANTED AN EXEMPTION PURSUANT TO THIS
13 SECTION CEASES TO BE USED PRIMARILY FOR RESIDENTIAL PURPOSES OR TITLE
14 THERETO IS TRANSFERRED TO OTHER THAN THE HEIRS OR DISTRIBUTEES OF THE
15 OWNER, THE EXEMPTION GRANTED PURSUANT TO THIS SECTION SHALL CEASE.

16 7. (A) THE ENACTMENT OF A LOCAL LAW IN SUCH CITY MAY:

17 (I) REDUCE THE PERCENT OF EXEMPTION OTHERWISE ALLOWED PURSUANT TO THIS
18 SECTION;

19 (II) LIMIT ELIGIBILITY FOR THE EXEMPTION TO THOSE FORMS OF RECON-
20 STRUCTION, ALTERATIONS OR IMPROVEMENTS AS ARE PRESCRIBED IN SUCH LOCAL
21 LAW OR RESOLUTION;

22 (III) PROVIDE THAT THE EXEMPTION SHALL BE APPLICABLE ONLY TO THOSE
23 IMPROVEMENTS WHICH WOULD OTHERWISE RESULT IN AN INCREASE IN THE ASSESSED
24 VALUATION OF THE REAL PROPERTY BUT WHICH CONSIST OF AN ADDITION, REMOD-
25 ELING OR MODERNIZATION TO AN EXISTING OWNER OCCUPIED MULTIPLE RESIDENCE
26 STRUCTURE TO PREVENT PHYSICAL DETERIORATION OF THE STRUCTURE OR TO
27 COMPLY WITH APPLICABLE BUILDING, SANITARY, HEALTH AND/OR FIRE CODES.

28 (B) NO SUCH LOCAL LAW SHALL REDUCE OR REPEAL AN EXEMPTION GRANTED
29 PURSUANT TO THIS SECTION UNTIL THE EXPIRATION OF THE PERIOD FOR WHICH
30 SUCH EXEMPTION WAS GRANTED.

31 S 2. This act shall take effect immediately.