

8323--A

2013-2014 Regular Sessions

I N   A S S E M B L Y

December 18, 2013

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Introduced by M. of A. MAGEE -- read once and referred to the Committee on Real Property Taxation -- recommitted to the Committee on Real Property Taxation in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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 ASSEMBLY, 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 THIRTEEN THOUSAND FIVE HUNDRED INHABIT-  
8     ANTS BUT LESS THAN FOURTEEN THOUSAND INHABITANTS, DETERMINED IN ACCORD-  
9     ANCE WITH THE LATEST FEDERAL DECENNIAL CENSUS, THAT IS REDUCED TO AT  
10    MOST TWO UNITS BY SUCH RECONSTRUCTION SUBSEQUENT TO THE EFFECTIVE DATE  
11    OF A LOCAL LAW PURSUANT TO THIS SECTION SHALL BE EXEMPT FROM TAXATION  
12    AND SPECIAL AD VALOREM LEVIES TO THE EXTENT PROVIDED HEREINAFTER. AFTER  
13    A PUBLIC HEARING, THE GOVERNING BOARD OF SUCH CITY MAY ADOPT A LOCAL LAW  
14    TO GRANT THE EXEMPTION AUTHORIZED PURSUANT TO THIS SECTION. A COPY OF  
15    SUCH LOCAL LAW SHALL BE FILED WITH THE COMMISSIONER AND THE ASSESSOR OF  
16    SUCH CITY WHO PREPARES THE ASSESSMENT ROLL ON WHICH THE TAXES OF SUCH  
17    CITY ARE LEVIED.  
18    2. (A) SUCH BUILDINGS WITHIN SUCH CITY SHALL BE EXEMPT FOR A PERIOD OF  
19    ONE YEAR TO THE EXTENT OF ONE HUNDRED PERCENT OF THE INCREASE IN  
20    ASSESSED VALUE ATTRIBUTABLE TO SUCH RECONSTRUCTION, ALTERATION OR  
21    IMPROVEMENT AND FOR AN ADDITIONAL PERIOD OF SEVEN YEARS SUBJECT TO THE  
22    FOLLOWING:

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

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1 (I) THE EXTENT OF SUCH EXEMPTION SHALL BE DECREASED BY TWELVE AND  
2 ONE-HALF PERCENT OF THE "EXEMPTION BASE" EACH YEAR DURING SUCH ADDI-  
3 TIONAL PERIOD. THE "EXEMPTION BASE" SHALL BE THE INCREASE IN ASSESSED  
4 VALUE AS DETERMINED IN THE INITIAL YEAR OF THE TERM OF THE EXEMPTION,  
5 EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH.

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

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

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

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

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

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

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

54 3. SUCH EXEMPTION SHALL BE GRANTED ONLY UPON APPLICATION BY THE OWNER  
55 OF SUCH BUILDING ON A FORM PRESCRIBED BY THE COMMISSIONER. THE APPLICA-

1 TION SHALL BE FILED WITH THE ASSESSOR OF SUCH CITY ON OR BEFORE THE  
2 APPROPRIATE TAXABLE STATUS DATE OF SUCH CITY.

3 4. IF SATISFIED THAT THE APPLICANT IS ENTITLED TO AN EXEMPTION PURSU-  
4 ANT TO THIS SECTION, THE ASSESSOR SHALL APPROVE THE APPLICATION AND SUCH  
5 BUILDING SHALL THEREAFTER BE EXEMPT FROM TAXATION AND SPECIAL AD VALOREM  
6 LEVIES AS PROVIDED IN THIS SECTION COMMENCING WITH THE ASSESSMENT ROLL  
7 PREPARED ON THE BASIS OF THE TAXABLE STATUS DATE REFERRED TO IN SUBDIVI-  
8 SION THREE OF THIS SECTION. THE ASSESSED VALUE OF ANY EXEMPTION GRANTED  
9 PURSUANT TO THIS SECTION SHALL BE ENTERED BY THE ASSESSOR ON THE ASSESS-  
10 MENT ROLL WITH THE TAXABLE PROPERTY, WITH THE AMOUNT OF THE EXEMPTION  
11 SHOWN IN A SEPARATE COLUMN.

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

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

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

21 (I) REDUCE THE PERCENT OF EXEMPTION OTHERWISE ALLOWED PURSUANT TO THIS  
22 SECTION;

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

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

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

35 S 2. This act shall take effect immediately.