

8324--A

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 -- 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 a residential investment exemption in 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 485-q to read as follows:

3 S 485-Q. RESIDENTIAL INVESTMENT EXEMPTION; CERTAIN CITIES. 1. RESI-
4 DENTIAL REAL PROPERTY CONSTRUCTED ON OR AFTER THE FIRST DAY OF JULY, TWO
5 THOUSAND FOURTEEN IN CITIES WITH A POPULATION OF NOT LESS THAN THIRTEEN
6 THOUSAND FIVE HUNDRED AND NOT MORE THAN FOURTEEN THOUSAND MAY BE EXEMPT
7 FROM CITY TAXATION AND SPECIAL AD VALOREM LEVIES AS PROVIDED IN THIS
8 SECTION.

9 2. (A) (I) SUCH REAL PROPERTY SHALL BE EXEMPT FOR A PERIOD OF ONE YEAR
10 TO THE EXTENT OF FIFTY PER CENTUM OF THE INCREASE IN ASSESSED VALUE
11 THEREOF ATTRIBUTABLE TO SUCH CONSTRUCTION AND FOR AN ADDITIONAL PERIOD
12 OF NINE YEARS PROVIDED, HOWEVER, THAT THE EXTENT OF SUCH EXEMPTION SHALL
13 BE DECREASED BY FIVE PER CENTUM EACH YEAR DURING SUCH ADDITIONAL PERIOD
14 OF NINE YEARS AND SUCH EXEMPTION SHALL BE COMPUTED WITH RESPECT TO THE
15 "EXEMPTION BASE". THE EXEMPTION BASE SHALL BE THE INCREASE IN ASSESSED
16 VALUE AS DETERMINED IN THE INITIAL YEAR OF SUCH TEN YEAR PERIOD FOLLOW-
17 ING THE FILING OF AN ORIGINAL APPLICATION, EXCEPT AS PROVIDED IN SUBPAR-
18 AGRAPH (II) OF THIS PARAGRAPH.

19 (II) IN ANY YEAR IN WHICH A CHANGE IN LEVEL OF ASSESSMENT OF FIFTEEN
20 PERCENT OR MORE IS CERTIFIED FOR A FINAL ASSESSMENT ROLL PURSUANT TO THE
21 RULES OF THE COMMISSIONER, THE EXEMPTION BASE SHALL BE MULTIPLIED BY A
22 FRACTION, THE NUMERATOR OF WHICH SHALL BE THE TOTAL ASSESSED VALUE OF

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

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

19 (III) THE FOLLOWING TABLE SHALL ILLUSTRATE THE COMPUTATION OF THE CITY
 20 TAX EXEMPTION:

21	YEAR OF EXEMPTION	PERCENTAGE OF EXEMPTION
22	1	50
23	2	45
24	3	40
25	4	35
26	5	30
27	6	25
28	7	20
29	8	15
30	9	10
31	10	5

32 (B) NO SUCH EXEMPTION SHALL BE GRANTED UNLESS:

33 (I) SUCH CONSTRUCTION WAS COMMENCED ON OR AFTER THE FIRST DAY OF JANU-
 34 ARY, TWO THOUSAND FOURTEEN OR SUCH LATER DATE AS MAY BE SPECIFIED BY
 35 LOCAL LAW;

36 (II) THE RESIDENTIAL REAL PROPERTY IS SITUATE IN A CITY WITH A POPU-
 37 LATION OF NOT LESS THAN THIRTEEN THOUSAND FIVE HUNDRED AND NOT MORE THAN
 38 FOURTEEN THOUSAND;

39 (III) THE COST OF SUCH CONSTRUCTION EXCEEDS THE SUM OF THIRTY THOUSAND
 40 DOLLARS OR SUCH GREATER AMOUNT AS MAY BE SPECIFIED BY LOCAL LAW; AND

41 (IV) SUCH CONSTRUCTION IS COMPLETED AS MAY BE EVIDENCED BY A CERTIF-
 42 ICATE OF OCCUPANCY OR OTHER APPROPRIATE DOCUMENTATION AS PROVIDED BY THE
 43 OWNER.

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

46 3. SUCH EXEMPTION SHALL BE GRANTED ONLY UPON APPLICATION BY THE OWNER
 47 OF SUCH REAL PROPERTY ON A FORM PRESCRIBED BY THE COMMISSIONER. SUCH
 48 APPLICATION SHALL BE FILED WITH THE ASSESSOR OF A CITY WITH A POPULATION
 49 OF NOT LESS THAN THIRTEEN THOUSAND FIVE HUNDRED AND NOT MORE THAN FOUR-
 50 TEEN THOUSAND ON OR BEFORE THE APPROPRIATE TAXABLE STATUS DATE OF SUCH
 51 CITY AND WITHIN ONE YEAR FROM THE DATE OF COMPLETION OF SUCH
 52 CONSTRUCTION.

53 4. IF THE ASSESSOR IS SATISFIED THAT THE APPLICANT IS ENTITLED TO AN
 54 EXEMPTION PURSUANT TO THIS SECTION, HE OR SHE SHALL APPROVE THE APPLICA-

1 TION AND SUCH REAL PROPERTY SHALL THEREAFTER BE EXEMPT FROM TAXATION AND
2 SPECIAL AD VALOREM LEVIES BY A CITY WITH A POPULATION OF NOT LESS THAN
3 THIRTEEN THOUSAND FIVE HUNDRED AND NOT MORE THAN FOURTEEN THOUSAND AS
4 PROVIDED IN THIS SECTION COMMENCING WITH THE ASSESSMENT ROLL PREPARED
5 AFTER THE TAXABLE STATUS DATE REFERRED TO IN SUBDIVISION THREE OF THIS
6 SECTION. THE ASSESSED VALUE OF ANY EXEMPTION GRANTED PURSUANT TO THIS
7 SECTION SHALL BE ENTERED BY THE ASSESSOR ON THE ASSESSMENT ROLL WITH THE
8 TAXABLE PROPERTY, WITH THE AMOUNT OF THE EXEMPTION SHOWN IN A SEPARATE
9 COLUMN.

10 5. THE PROVISIONS OF THIS SECTION SHALL APPLY TO REAL PROPERTY USED AS
11 THE PRIMARY RESIDENCE OF THE OWNER.

12 6. IN THE EVENT THAT REAL PROPERTY GRANTED AN EXEMPTION PURSUANT TO
13 THIS SECTION CEASES TO BE USED PRIMARILY FOR ELIGIBLE PURPOSES, THE
14 EXEMPTION GRANTED PURSUANT TO THIS SECTION SHALL CEASE.

15 7. A CITY WITH A POPULATION OF NOT LESS THAN THIRTEEN THOUSAND FIVE
16 HUNDRED AND NOT MORE THAN FOURTEEN THOUSAND MAY, BY LOCAL LAW, REDUCE
17 THE PER CENTUM OF EXEMPTION OTHERWISE ALLOWED PURSUANT TO THIS SECTION;
18 PROVIDED, HOWEVER, THAT A PROJECT IN COURSE OF CONSTRUCTION AND
19 EXEMPTIONS EXISTING PRIOR IN TIME TO PASSAGE OF ANY SUCH LOCAL LAW SHALL
20 NOT BE SUBJECT TO ANY SUCH REDUCTION SO EFFECTED. SUCH CITY UPON
21 REDUCTION OF THE PER CENTUM OF EXEMPTION PURSUANT TO THIS SUBDIVISION
22 MAY THEREAFTER, BY LOCAL LAW, INCREASE THE PER CENTUM OF EXEMPTION UP TO
23 ANY PER CENTUM NOT EXCEEDING THE MAXIMUM ALLOWED BY SUBDIVISION TWO OR
24 ELEVEN OF THIS SECTION, WHICHEVER IS APPLICABLE, PROVIDED, HOWEVER, THAT
25 ANY SUCH LOCAL LAW SHALL APPLY ONLY TO CONSTRUCTION COMMENCED SUBSEQUENT
26 TO THE EFFECTIVE DATE OF SUCH LOCAL LAW. A COPY OF ALL SUCH LOCAL LAWS
27 SHALL BE FILED WITH THE COMMISSIONER AND THE ASSESSOR OF THE CITY.

28 8. A CITY WITH A POPULATION OF NOT LESS THAN THIRTEEN THOUSAND FIVE
29 HUNDRED AND NOT MORE THAN FOURTEEN THOUSAND MAY, BY LOCAL LAW, ESTABLISH
30 A DATE FOR THE COMMENCEMENT OF EFFECTIVENESS OF EXEMPTION OFFERED PURSU-
31 ANT TO THIS SECTION AND MAY PROVIDE THAT THE PROVISIONS OF THIS SECTION
32 SHALL APPLY ONLY TO CONSTRUCTION HAVING A GREATER VALUE THAN THAT SPECI-
33 FIED BY SUBDIVISION TWO OF THIS SECTION, PROVIDED, HOWEVER, THAT SUCH
34 AMOUNT SHALL NOT EXCEED SEVENTY THOUSAND DOLLARS.

35 9. (A) A CITY WITH A POPULATION OF NOT LESS THAN THIRTEEN THOUSAND
36 FIVE HUNDRED AND NOT MORE THAN FOURTEEN THOUSAND MAY, BY LOCAL LAW,
37 ESTABLISH A BOARD TO BE KNOWN AS THE RESIDENTIAL INCENTIVE BOARD. THE
38 MEMBERSHIP AND COMPOSITION OF SUCH BOARD SHALL BE SET FORTH IN THE LOCAL
39 LAW.

40 (B) THE RESIDENTIAL INCENTIVE BOARD SHALL PRESENT A PLAN TO THE LEGIS-
41 LATIVE BODY OF A CITY WITH A POPULATION OF NOT LESS THAN THIRTEEN THOU-
42 SAND FIVE HUNDRED AND NOT MORE THAN FOURTEEN THOUSAND CONCERNING THE
43 VARIOUS TYPES OF RESIDENTIAL REAL PROPERTY WHICH SHOULD BE GRANTED
44 ELIGIBILITY FOR AN EXEMPTION PURSUANT TO SUBDIVISION ONE OF THIS
45 SECTION. SUCH PLAN SHALL MAKE A RECOMMENDATION AS TO WHETHER THE
46 EXEMPTION BE COMPUTED AS PROVIDED IN SUBDIVISION TWO OR ELEVEN OF THIS
47 SECTION. IN ADDITION, SUCH PLAN SHALL IDENTIFY SPECIFIC GEOGRAPHIC AREAS
48 WITHIN WHICH SUCH EXEMPTIONS SHOULD BE OFFERED. IN DEVELOPING THE PLAN
49 REQUIRED BY THIS PARAGRAPH, THE BOARD SHALL CONSIDER THE PLANNING OBJEC-
50 TIVES OF A CITY WITH A POPULATION OF NOT LESS THAN THIRTEEN THOUSAND
51 FIVE HUNDRED AND NOT MORE THAN FOURTEEN THOUSAND, THE NECESSITY OF THE
52 EXEMPTION TO THE ATTRACTION OR RETENTION OF HOME OWNERS AND THE ECONOMIC
53 BENEFIT TO THE AREA OF PROVIDING EXEMPTIONS TO HOME OWNERS.

54 (C) IN ADDITION, THE BOARD MAY MAKE RECOMMENDATIONS TO THE LEGISLATIVE
55 BODY OF A CITY WITH A POPULATION OF NOT LESS THAN THIRTEEN THOUSAND FIVE

HUNDRED AND NOT MORE THAN FOURTEEN THOUSAND WITH RESPECT TO ACTIONS IT DEEMS DESIRABLE TO IMPROVE THE ECONOMIC CLIMATE THEREIN.

10. IF A CITY WITH A POPULATION OF NOT LESS THAN THIRTEEN THOUSAND FIVE HUNDRED AND NOT MORE THAN FOURTEEN THOUSAND ESTABLISHES A RESIDENTIAL INCENTIVE BOARD, PURSUANT TO SUBDIVISION NINE OF THIS SECTION, SUCH CITY MAY, BY LOCAL LAW, RESTRICT REAL PROPERTY ELIGIBLE TO RECEIVE THE EXEMPTION TO REAL PROPERTY CONSTRUCTED FOR THOSE PURPOSES IDENTIFIED IN THE PLAN PRESENTED BY THE BOARD. SUCH LOCAL LAW SHALL RESTRICT THE AVAILABILITY OF SUCH EXEMPTION TO THE SPECIFIC GEOGRAPHIC AREAS IDENTIFIED IN THE PLAN PRESENTED BY THE BOARD.

11. NOTWITHSTANDING SUBDIVISION TWO OF THIS SECTION, WHERE A CITY WITH A POPULATION OF NOT LESS THAN THIRTEEN THOUSAND FIVE HUNDRED AND NOT MORE THAN FOURTEEN THOUSAND ADOPTS RESTRICTED EXEMPTIONS PURSUANT TO SUBDIVISION TEN OF THIS SECTION, THE LOCAL LAW MAY PROVIDE THAT SUCH EXEMPTIONS SHALL BE COMPUTED PURSUANT TO THE FOLLOWING ACCELERATED STRATEGIC EXEMPTION SCHEDULE:

YEAR OF EXEMPTION	PERCENTAGE OF EXEMPTION
1	50
2	45
3	40
4	35
5	30
6	25
7	20
8	15
9	10
10	5

PROVIDED HOWEVER, THAT SUCH LOCAL LAW SHALL:

(I) CONTAIN FINDINGS THAT THE ADOPTION OF THIS ACCELERATED STRATEGIC EXEMPTION SCHEDULE IS NECESSARY TO ENCOURAGE TARGETED RESIDENTIAL DEVELOPMENT, AND THAT THE VALUE OF THE EXEMPTIONS TO BE PROVIDED IS JUSTIFIED BY THE NEED TO BROADEN THE TAX BASE; AND

(II) LIMIT THE APPLICABILITY OF SUCH SCHEDULE TO PROJECTS WHERE THE COST OF SUCH CONSTRUCTION EXCEEDS THE SUM OF SEVENTY THOUSAND DOLLARS; AND

(III) PROVIDE THAT SUCH EXEMPTIONS ARE RESTRICTED BY GEOGRAPHIC AREAS AS PROVIDED BY SUBDIVISION TEN OF THIS SECTION.

S 2. This act shall take effect immediately.