STATE OF NEW YORK

S. 7229 A. 9533

SENATE - ASSEMBLY

May 6, 2014

IN SENATE -- Introduced by Sen. LAVALLE -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government

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

AN ACT in relation to authorizing the town of Southampton, county of Suffolk to enact a hospitality business investment real property tax exemption

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

Section 1. Notwithstanding any provision of law to the contrary, real property within the town of Southampton, county of Suffolk constructed, altered, installed or improved, subsequent to January 1, 2015 for the purpose of hospitality business activity, as defined in section five of this act, shall be exempt from taxation and special ad valorem levies, except for special ad valorem levies for fire district, fire protection district and fire alarm district purposes, to the extent hereinafter provided.

S 2. (a) Such real property shall be exempt for a period of one year to the extent of fifty per centum of the increase in assessed value thereof attributable to such construction, alteration, installation or improvement and for an additional period of nine years provided, however, that the extent of such exemption shall be decreased by five per centum each year during such additional period of nine years and such exemption shall be computed with respect to the "exemption base". The exemption base shall be the increase in assessed value as determined in the initial year of such ten year period following the filing of an original application.

(b) The following table shall illustrate the computation of the tax exemption:

Year of exemption	Percentage of exemption
1	50
2	45

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

LBD14898-02-4

3	40
4	35
5	30
6	25
7	20
8	15
9	10
10	5

(c) No such exemption shall be granted unless (1) such construction, alteration, installation or improvement was commenced subsequent to the first day of January, 2015 or such later date as may be specified by local law or resolution; (2) the cost of such construction, alteration, installation or improvement exceeds the sum of one hundred thousand dollars or such greater amount as may be specified by local law or resolution; and (3) such construction, alteration, installation or improvement is completed as may be evidenced by a certificate of occupancy or other appropriate documentation as provided by the owner.

(d) For purposes of this act the terms construction, alteration, installation and improvement shall not include ordinary maintenance and repairs.

S 3. Such exemption shall be granted only upon application by the owner of such real property on a form prescribed by the commissioner of taxation and finance. Such application shall be filed with the assessor of the town on or before the appropriate taxable status date of the town within one year from the date of completion of such construction, alteration, installation or improvement.

S 4. If the assessor is satisfied that the applicant is entitled to an exemption pursuant to this act, he or she shall approve the application and such real property shall thereafter be exempt from taxation and special ad valorem levies, except for special ad valorem levies for fire district, fire protection district and fire alarm district purposes, as herein provided commencing with the assessment roll prepared after the taxable status date referred to in section three of this act. 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.

S 5. The provisions of this act shall only apply to real property within the town of Southampton used primarily for hospitality business activity. For the purposes of this act, "hospitality business activity" shall mean the commercial furnishing of accommodations to overnight transient guests, including but not limited to hotels, motels, and bed and breakfasts. A transient guest shall be defined as one whose stay on such property is daily or weekly, but not to exceed 31 days in any calendar year.

S 6. In the event that real property granted an exemption pursuant to this section ceases to be used primarily for eligible purposes, the exemption granted pursuant to this section shall cease.

S 7. In the town of Southampton, any local government, by local law, and any school district, by resolution, may reduce the percentum of exemption otherwise allowed pursuant to this act; provided, however, that a project in course of construction and exemptions existing prior in time to passage of any such local law or resolution shall not be subject to any such reduction so effected. Any local government or school district that has reduced the percentum of exemption pursuant to this section may thereafter, by local law or resolution as the case may be, increase the percentum of exemption up to any percentum not exceeding the maximum allowed by section two of this act, whichever is applicable, provided, however, that any such local law or resolution shall apply only to construction, alterations, installations, or improvements commenced subsequent to the effective date of such local law or resolution. A copy of all such local laws or resolutions shall be filed with the assessor of the town and the commissioner of taxation and finance.

S 8. This act shall take effect immediately.