

8324

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

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 TEN THOU-  
6     SAND AND NOT MORE THAN TWENTY THOUSAND MAY BE EXEMPT FROM CITY TAXATION  
7     AND SPECIAL AD VALOREM LEVIES AS PROVIDED IN THIS SECTION.

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

18    (II) IN ANY YEAR IN WHICH A CHANGE IN LEVEL OF ASSESSMENT OF FIFTEEN  
19    PERCENT OR MORE IS CERTIFIED FOR A FINAL ASSESSMENT ROLL PURSUANT TO THE  
20    RULES OF THE COMMISSIONER, THE EXEMPTION BASE SHALL BE MULTIPLIED BY A  
21    FRACTION, THE NUMERATOR OF WHICH SHALL BE THE TOTAL ASSESSED VALUE OF  
22    THE PARCEL ON SUCH FINAL ASSESSMENT ROLL (AFTER ACCOUNTING FOR ANY PHYS-  
23    ICAL OR QUANTITY CHANGES TO THE PARCEL SINCE THE IMMEDIATELY PRECEDING  
24    ASSESSMENT ROLL), AND THE DENOMINATOR OF WHICH SHALL BE THE TOTAL  
25    ASSESSED VALUE OF THE PARCEL ON THE IMMEDIATELY PRECEDING FINAL ASSESS-

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

LBD11994-02-3

MENT ROLL. THE RESULT SHALL BE THE NEW EXEMPTION BASE. THE EXEMPTION SHALL THEREUPON BE RECOMPUTED TO TAKE INTO ACCOUNT THE NEW EXEMPTION BASE, NOTWITHSTANDING THE FACT THAT THE ASSESSOR RECEIVES THE CERTIFICATION OF THE CHANGE IN LEVEL OF ASSESSMENT AFTER THE COMPLETION, VERIFICATION AND FILING OF THE FINAL ASSESSMENT ROLL. IN THE EVENT THE ASSESSOR DOES NOT HAVE CUSTODY OF THE ROLL WHEN SUCH CERTIFICATION IS RECEIVED, THE ASSESSOR SHALL CERTIFY THE RECOMPUTED EXEMPTION TO THE LOCAL OFFICERS HAVING CUSTODY AND CONTROL OF THE ROLL, AND SUCH LOCAL OFFICERS ARE HEREBY DIRECTED AND AUTHORIZED TO ENTER THE RECOMPUTED EXEMPTION CERTIFIED BY THE ASSESSOR ON THE ROLL. THE ASSESSOR SHALL GIVE WRITTEN NOTICE OF SUCH RECOMPUTED EXEMPTION TO THE PROPERTY OWNER, WHO MAY, IF HE OR SHE BELIEVES THAT THE EXEMPTION WAS RECOMPUTED INCORRECTLY, APPLY FOR A CORRECTION IN THE MANNER PROVIDED BY TITLE THREE OF ARTICLE FIVE OF THIS CHAPTER FOR THE CORRECTION OF CLERICAL ERRORS.

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

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

(B) NO SUCH EXEMPTION SHALL BE GRANTED UNLESS:

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

(II) THE RESIDENTIAL REAL PROPERTY IS SITUATE IN A CITY WITH A POPULATION OF NOT LESS THAN TEN THOUSAND AND NOT MORE THAN TWENTY THOUSAND;

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

(IV) SUCH CONSTRUCTION IS COMPLETED AS MAY BE EVIDENCED BY A CERTIFICATE OF OCCUPANCY OR OTHER APPROPRIATE DOCUMENTATION AS PROVIDED BY THE OWNER.

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

3. SUCH EXEMPTION SHALL BE GRANTED ONLY UPON APPLICATION BY THE OWNER OF SUCH REAL PROPERTY ON A FORM PRESCRIBED BY THE COMMISSIONER. SUCH APPLICATION SHALL BE FILED WITH THE ASSESSOR OF A CITY WITH A POPULATION OF NOT LESS THAN TEN THOUSAND AND NOT MORE THAN TWENTY THOUSAND ON OR BEFORE THE APPROPRIATE TAXABLE STATUS DATE OF SUCH CITY AND WITHIN ONE YEAR FROM THE DATE OF COMPLETION OF SUCH CONSTRUCTION.

4. IF THE ASSESSOR IS SATISFIED THAT THE APPLICANT IS ENTITLED TO AN EXEMPTION PURSUANT TO THIS SECTION, HE OR SHE SHALL APPROVE THE APPLICATION AND SUCH REAL PROPERTY SHALL THEREAFTER BE EXEMPT FROM TAXATION AND SPECIAL AD VALOREM LEVIES BY A CITY WITH A POPULATION OF NOT LESS THAN TEN THOUSAND AND NOT MORE THAN TWENTY THOUSAND AS PROVIDED IN THIS SECTION COMMENCING WITH THE ASSESSMENT ROLL PREPARED AFTER THE TAXABLE STATUS DATE REFERRED TO IN SUBDIVISION THREE OF THIS SECTION. THE ASSESSED VALUE OF ANY EXEMPTION GRANTED PURSUANT TO THIS SECTION SHALL

1 BE ENTERED BY THE ASSESSOR ON THE ASSESSMENT ROLL WITH THE TAXABLE PROP-  
2 erty, WITH THE AMOUNT OF THE EXEMPTION SHOWN IN A SEPARATE COLUMN.

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

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

8 7. A CITY WITH A POPULATION OF NOT LESS THAN TEN THOUSAND AND NOT MORE  
9 THAN TWENTY THOUSAND MAY, BY LOCAL LAW, REDUCE THE PER CENTUM OF  
10 EXEMPTION OTHERWISE ALLOWED PURSUANT TO THIS SECTION; PROVIDED, HOWEVER,  
11 THAT A PROJECT IN COURSE OF CONSTRUCTION AND EXEMPTIONS EXISTING PRIOR  
12 IN TIME TO PASSAGE OF ANY SUCH LOCAL LAW SHALL NOT BE SUBJECT TO ANY  
13 SUCH REDUCTION SO EFFECTED. SUCH CITY UPON REDUCTION OF THE PER CENTUM  
14 OF EXEMPTION PURSUANT TO THIS SUBDIVISION MAY THEREAFTER, BY LOCAL LAW,  
15 INCREASE THE PER CENTUM OF EXEMPTION UP TO ANY PER CENTUM NOT EXCEEDING  
16 THE MAXIMUM ALLOWED BY SUBDIVISION TWO OR ELEVEN OF THIS SECTION, WHICH-  
17 EVER IS APPLICABLE, PROVIDED, HOWEVER, THAT ANY SUCH LOCAL LAW SHALL  
18 APPLY ONLY TO CONSTRUCTION COMMENCED SUBSEQUENT TO THE EFFECTIVE DATE OF  
19 SUCH LOCAL LAW. A COPY OF ALL SUCH LOCAL LAWS SHALL BE FILED WITH THE  
20 COMMISSIONER AND THE ASSESSOR OF THE CITY.

21 8. A CITY WITH A POPULATION OF NOT LESS THAN TEN THOUSAND AND NOT MORE  
22 THAN TWENTY THOUSAND MAY, BY LOCAL LAW, ESTABLISH A DATE FOR THE  
23 COMMENCEMENT OF EFFECTIVENESS OF EXEMPTION OFFERED PURSUANT TO THIS  
24 SECTION AND MAY PROVIDE THAT THE PROVISIONS OF THIS SECTION SHALL APPLY  
25 ONLY TO CONSTRUCTION HAVING A GREATER VALUE THAN THAT SPECIFIED BY  
26 SUBDIVISION TWO OF THIS SECTION, PROVIDED, HOWEVER, THAT SUCH AMOUNT  
27 SHALL NOT EXCEED SEVENTY THOUSAND DOLLARS.

28 9. (A) A CITY WITH A POPULATION OF NOT LESS THAN TEN THOUSAND AND NOT  
29 MORE THAN TWENTY THOUSAND MAY, BY LOCAL LAW, ESTABLISH A BOARD TO BE  
30 KNOWN AS THE RESIDENTIAL INCENTIVE BOARD. THE MEMBERSHIP AND COMPOSITION  
31 OF SUCH BOARD SHALL BE SET FORTH IN THE LOCAL LAW.

32 (B) THE RESIDENTIAL INCENTIVE BOARD SHALL PRESENT A PLAN TO THE LEGIS-  
33 LATIVE BODY OF A CITY WITH A POPULATION OF NOT LESS THAN TEN THOUSAND  
34 AND NOT MORE THAN TWENTY THOUSAND CONCERNING THE VARIOUS TYPES OF RESI-  
35 DENTIAL REAL PROPERTY WHICH SHOULD BE GRANTED ELIGIBILITY FOR AN  
36 EXEMPTION PURSUANT TO SUBDIVISION ONE OF THIS SECTION. SUCH PLAN SHALL  
37 MAKE A RECOMMENDATION AS TO WHETHER THE EXEMPTION BE COMPUTED AS  
38 PROVIDED IN SUBDIVISION TWO OR ELEVEN OF THIS SECTION. IN ADDITION, SUCH  
39 PLAN SHALL IDENTIFY SPECIFIC GEOGRAPHIC AREAS WITHIN WHICH SUCH  
40 EXEMPTIONS SHOULD BE OFFERED. IN DEVELOPING THE PLAN REQUIRED BY THIS  
41 PARAGRAPH, THE BOARD SHALL CONSIDER THE PLANNING OBJECTIVES OF A CITY  
42 WITH A POPULATION OF NOT LESS THAN TEN THOUSAND AND NOT MORE THAN TWENTY  
43 THOUSAND, THE NECESSITY OF THE EXEMPTION TO THE ATTRACTION OR RETENTION  
44 OF HOME OWNERS AND THE ECONOMIC BENEFIT TO THE AREA OF PROVIDING  
45 EXEMPTIONS TO HOME OWNERS.

46 (C) IN ADDITION, THE BOARD MAY MAKE RECOMMENDATIONS TO THE LEGISLATIVE  
47 BODY OF A CITY WITH A POPULATION OF NOT LESS THAN TEN THOUSAND AND NOT  
48 MORE THAN TWENTY THOUSAND WITH RESPECT TO ACTIONS IT DEEMS DESIRABLE TO  
49 IMPROVE THE ECONOMIC CLIMATE THEREIN.

50 10. IF A CITY WITH A POPULATION OF NOT LESS THAN TEN THOUSAND AND NOT  
51 MORE THAN TWENTY THOUSAND ESTABLISHES A RESIDENTIAL INCENTIVE BOARD,  
52 PURSUANT TO SUBDIVISION NINE OF THIS SECTION, SUCH CITY MAY, BY LOCAL  
53 LAW, RESTRICT REAL PROPERTY ELIGIBLE TO RECEIVE THE EXEMPTION TO REAL  
54 PROPERTY CONSTRUCTED FOR THOSE PURPOSES IDENTIFIED IN THE PLAN PRESENTED  
55 BY THE BOARD. SUCH LOCAL LAW SHALL RESTRICT THE AVAILABILITY OF SUCH

1 EXEMPTION TO THE SPECIFIC GEOGRAPHIC AREAS IDENTIFIED IN THE PLAN  
2 PRESENTED BY THE BOARD.

3 11. NOTWITHSTANDING SUBDIVISION TWO OF THIS SECTION, WHERE A CITY WITH  
4 A POPULATION OF NOT LESS THAN TEN THOUSAND AND NOT MORE THAN TWENTY  
5 THOUSAND ADOPTS RESTRICTED EXEMPTIONS PURSUANT TO SUBDIVISION TEN OF  
6 THIS SECTION, THE LOCAL LAW MAY PROVIDE THAT SUCH EXEMPTIONS SHALL BE  
7 COMPUTED PURSUANT TO THE FOLLOWING ACCELERATED STRATEGIC EXEMPTION SCHE-  
8 DULE:

9	YEAR OF EXEMPTION	PERCENTAGE OF EXEMPTION
10	1	50
11	2	45
12	3	40
13	4	35
14	5	30
15	6	25
16	7	20
17	8	15
18	9	10
19	10	5

20 PROVIDED HOWEVER, THAT SUCH LOCAL LAW SHALL:

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

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

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

30 S 2. This act shall take effect immediately.