

S T A T E O F N E W Y O R K

S. 7847

A. 10214

S E N A T E - A S S E M B L Y

May 17, 2016

IN SENATE -- Introduced by Sen. O'MARA -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

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

AN ACT to amend the real property tax law, in relation to an exemption of capital improvements to certain residential buildings 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-o to read as follows:
3 S 421-0. EXEMPTION OF CAPITAL IMPROVEMENTS TO CERTAIN RESIDENTIAL
4 BUILDINGS WITHIN CERTAIN CITIES. 1. RESIDENTIAL BUILDINGS DESIGNED AND
5 OCCUPIED EXCLUSIVELY FOR RESIDENTIAL PURPOSES BY NOT MORE THAN FOUR
6 FAMILIES LOCATED IN ANY CITY HAVING A POPULATION OF MORE THAN TEN THOU-
7 SAND INHABITANTS BUT FEWER THAN TWELVE THOUSAND INHABITANTS, DETERMINED
8 IN ACCORDANCE WITH THE LATEST FEDERAL DECENNIAL CENSUS, THAT ARE RECON-
9 STRUCTED, ALTERED OR IMPROVED SUBSEQUENT TO THE EFFECTIVE DATE OF A
10 LOCAL LAW OR RESOLUTION PURSUANT TO THIS SECTION SHALL BE EXEMPT FROM
11 TAXATION AND SPECIAL AD VALOREM LEVIES TO THE EXTENT PROVIDED HEREINAFT-
12 ER. AFTER A PUBLIC HEARING, THE GOVERNING BOARD OF SUCH CITY MAY ADOPT A
13 LOCAL LAW TO GRANT THE EXEMPTION AUTHORIZED PURSUANT TO THIS SECTION. A
14 COPY OF SUCH LOCAL LAW SHALL BE FILED WITH THE COMMISSIONER AND THE
15 ASSESSOR OF SUCH CITY WHO PREPARES THE ASSESSMENT ROLL ON WHICH THE
16 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 EIGHT AND ONE-
23 THIRD PERCENT OF THE "EXEMPTION BASE" EACH YEAR DURING SUCH ADDITIONAL

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

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1 PERIOD. THE "EXEMPTION BASE" SHALL BE THE INCREASE IN ASSESSED VALUE AS
2 DETERMINED IN THE INITIAL YEAR OF THE TERM OF THE EXEMPTION, EXCEPT AS
3 PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH.

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

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

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

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

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

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

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

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

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

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

14 6. (A) THE ENACTMENT OF A LOCAL LAW IN SUCH CITY MAY:

15 (I) REDUCE THE PERCENT OF EXEMPTION OTHERWISE ALLOWED PURSUANT TO THIS
16 SECTION;

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

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

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

29 S 2. This act shall take effect on the first of January next succeed-
30 ing the date on which it shall have become a law.