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I N   A S S E M B L Y

February 4, 2016

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

AN ACT to amend the real property tax law, in relation to authorizing a  
residential redevelopment inhibited property exemption

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

1     Section 1. Section 485-r of the real property tax law, as added by  
2     chapter 406 of the laws of 2015, is amended to read as follows:  
3     S 485-r. Residential redevelopment inhibited property exemption[;  
4     certain cities]. 1. As used in this section, the following terms shall  
5     have the following meanings:  
6     (a) "Redevelopment inhibited property" shall mean a residential prop-  
7     erty that has been neglected or abandoned because of the local economic  
8     conditions and/or conditions on the property that inhibit such property  
9     from being redeveloped by the private sector. Redevelopment inhibited  
10    property shall not include land that is undeveloped.  
11    (b) "Gap financing costs" shall mean the total cost of the property's  
12    redevelopment as approved by the [city] MUNICIPALITY minus the increase  
13    in the full valuation of the property upon completion of the redevelop-  
14    ment.  
15    (c) "Base assessment" shall mean the assessed value of the property on  
16    the day the [city] MUNICIPALITY designates the property as redevelopment  
17    inhibited.  
18    (d) "Increased assessment" shall mean the assessed value of the prop-  
19    erty as determined by the assessor upon completion of the redevelopment.  
20    (e) "Incremental increase in annual property taxes" shall mean the  
21    taxes based on the increased assessment minus the taxes based on the  
22    base assessment.  
23    (f) ["City" shall mean cities with a population of not less than  
24    fifteen thousand two hundred fifty and not more than fifteen thousand  
25    five hundred as determined by the federal decennial census for the year  
26    two thousand ten.] "MUNICIPALITY" MEANS ANY CITY, TOWN OR VILLAGE.  
27    2. A [city] MUNICIPALITY may, by local law, provide for the exemption  
28    of real property from taxation as provided in this section. Subsequent

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

LBD13132-01-5

1 to the adoption of such local law, the county in which such [city] MUNI-  
2 CIPALITY is located may after a public hearing and by local law, and any  
3 school district, all or part of which is located in such [city] MUNICI-  
4 PALITY, may, by resolution, exempt such property from its taxation in  
5 the same manner and to the same extent as the [city] MUNICIPALITY has  
6 done.

7 3. A [city] MUNICIPALITY shall designate any property within the  
8 [city] MUNICIPALITY'S boundaries as a redevelopment inhibited property  
9 if one or more of the following are met:

10 (a) the [city] MUNICIPALITY has acquired title to the property pursu-  
11 ant to article nineteen-A of the real property actions and proceedings  
12 law; or

13 (b) the property has been continuously vacant for a period of at least  
14 three years; or

15 (c) the [city] MUNICIPALITY has acquired title to the property via  
16 foreclosure for unpaid taxes pursuant to article eleven of this chapter;  
17 or

18 (d) the property has outstanding zoning, housing, or uniform code  
19 violations and the cost of remedying the violations exceeds the proper-  
20 ty's value.

21 4. (a) Upon the adoption of such local law, redevelopment inhibited  
22 property shall be exempt from taxation and special ad valorem levies to  
23 the extent of any increase in value attributable to demolition, alter-  
24 ation, rehabilitation, or remediation pursuant to the following require-  
25 ments:

26 (i) the demolition, alterations, rehabilitation, and/or remediation  
27 shall be permitted by the [city's] MUNICIPALITY'S bureau of inspection  
28 such that building or plumbing permits issued and said demolition,  
29 alterations, rehabilitation, and/or remediation shall have met all  
30 necessary approvals per the applicable New York state uniform fire  
31 prevention and building code, the [city's] MUNICIPALITY'S municipal code  
32 and the [city's] MUNICIPALITY'S bureau of inspection upon completion;  
33 and

34 (ii) the property for which the exemption is sought shall be an  
35 owner-occupied one-family residence; and

36 (iii) the owner of such property shall file annually an affidavit of  
37 residency with the assessor of the [city] MUNICIPALITY on or before the  
38 appropriate taxable status date of such [city] MUNICIPALITY, confirming  
39 continued owner-occupancy of the property; and

40 (iv) the redevelopment inhibited property is exempt from taxation and  
41 special ad valorem levies attributable to the increased assessment minus  
42 the taxes and special ad valorem levies imposed on the base assessment.  
43 Such exemption shall not apply to special assessments.

44 (b) In the event the property granted an exemption pursuant to this  
45 section ceases to be owner-occupied and/or the affidavit of residency is  
46 not filed annually for the approved exemption period, the exemption  
47 granted pursuant to this section shall cease.

48 (c) In the event the property granted an exemption pursuant to this  
49 section ceases to be a one-family dwelling, the exemption granted pursu-  
50 ant to this section shall cease.

51 (d) In the event the owner of the property is convicted of a violation  
52 or misdemeanor pursuant to New York state uniform fire prevention and  
53 building code or the [city's] MUNICIPALITY'S municipal code, the  
54 exemption granted pursuant to this section shall cease.

55 5. (a) Such redevelopment inhibited property shall be exempt for a  
56 period equal to the gap financing costs divided by the incremental

1 increase in annual property taxes resulting from such redevelopment. The  
2 exemption period shall be rounded up to the nearest whole number and  
3 shall not exceed twenty-five years.

4 (b) The extent of such exemption shall decrease the last eight years  
5 of the exemption period by twelve and one-half percent of the increase  
6 in assessment due to the redevelopment equaling a zero percent exemption  
7 on the final year of the exemption period.

8 6. (a) Such exemption shall be granted only upon application by the  
9 owner of such building for the residential redevelopment inhibited prop-  
10 erty exemption, on a form prescribed by the [city] MUNICIPALITY. Such  
11 application must be filed with the assessor of the [city] MUNICIPALITY  
12 on or before the appropriate taxable status date of such [city] MUNICI-  
13 PALITY. The application must be filed with the assessor of the [city]  
14 MUNICIPALITY within three years from the date of completing the demoli-  
15 tion, alterations, rehabilitation, and/or remediation.

16 (b) The owner filing for such exemption shall not be required to be  
17 the owner responsible for completing the demolition, alterations, reha-  
18 bilitation, and/or remediation.

19 (c) If the assessor is satisfied that the applicant is entitled to an  
20 exemption pursuant to this section, he or she shall approve the applica-  
21 tion and such real property shall thereafter be exempt from taxation and  
22 special ad valorem levies by the [city] MUNICIPALITY commencing with the  
23 assessment roll prepared after the taxable status date referred to in  
24 this subdivision. The assessed value of any exemption granted pursuant  
25 to this section shall be entered by the assessor of the [city] MUNICI-  
26 PALITY on the assessment roll with the taxable property, with the amount  
27 of the exemption shown in a separate column.

28 (d) Once granted, the residential redevelopment inhibited property  
29 exemption runs with the land for the exemption period pursuant to this  
30 section.

31 S 2. This act shall take effect immediately.