STATE OF NEW YORK

5279--A

2017-2018 Regular Sessions

IN SENATE

March 20, 2017

Introduced by Sens. CROCI, SEWARD -- read twice and ordered printed, and when printed to be committed to the Committee on Veterans, Homeland Security and Military Affairs -- recommitted to the Committee on Veterans, Homeland Security and Military Affairs in accordance with Senate Rule 6, sec. 8 -- 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 authorizing a real property tax exemption for combat veterans

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The real property tax law is amended by adding a new section 458-c to read as follows:

§ 458-c. Combat veteran exemption. 1. As used in this section:

(a) "Armed forces of the United States" means service in the army, navy (including the marine corps), air force or coast guard of the United States.

(b) "Combat veteran" means any person having served in the armed forces of the United States after the Gulf War, and who was subsequently discharged or released therefrom under honorable conditions, who received hostile fire pay or imminent danger pay from the United States department of defense.

(c) "Qualified owner" means a combat veteran, the spouse of a veteran or the unremarried surviving spouse of a veteran. Where property is owned by more than one qualified owner, the exemption to which each is entitled may be combined. Where the veteran is also the unremarried surviving spouse of a veteran, such person may also receive any exemption to which the deceased spouse was entitled.

(d) "Qualified residential real property" means property owned by a qualified owner which is used exclusively for residential purposes; provided however, that in the event any portion of such property is not so used exclusively for residential purpose but is used for other

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

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purposes, such portion shall be subject to taxation and the remaining portion only shall be entitled to the exemption provided by this section. Such property must be the primary residence of the combat veteran or the unremarried surviving spouse of the combat veteran, unless the veteran or unremarried surviving spouse is absent from the property due to medical reasons or institutionalization. In the event the veteran dies and there is no unremarried surviving spouse, "qualifying residential real property" shall mean the primary residence owned by a qualified owner prior to death, provided that the title to the property becomes vested in the dependent father or mother or dependent child or children under twenty-one years of age of a veteran by virtue of devise by or descent from the deceased qualified owner, provided that the property is the primary residence of one or all of the devisees.

(e) "Service connected" means, with respect to disability or death, that such disability was incurred or aggravated, or that the death resulted from a disability incurred or aggravated, in the line of duty in the armed forces of the United States.

(f) "Latest state equalization rate" means the latest final state equalization rate or special equalization rate established by the commissioner pursuant to article twelve of this chapter. The commissioner shall establish a special equalization rate if it finds that there has been a material change in the level of assessment since the establishment of the latest state equalization rate, but in no event shall such special equalization rate exceed one hundred. In the event that the state equalization rate exceeds one hundred, then the state equalization rate shall be one hundred for the purposes of this section. Where a special equalization rate is established for purposes of this section, the assessor is directed and authorized to recompute the combat veteran exemption on the assessment roll by applying such special equalization rate instead of the latest state equalization rate applied in the previous year and to make the appropriate corrections on the assessment roll, notwithstanding the fact that such assessor may receive the special equalization rate after the completion, verification and filing of such final assessment roll. In the event that the assessor does not have custody of the roll when such recomputation is accomplished, the assessor shall certify such recomputation to the local officers having custody and control of such roll, and such local officers are hereby directed and authorized to enter the recomputed combat veteran exemption certified by the assessor on such roll.

(g) "Latest class ratio" means the latest final class ratio established by the commissioner pursuant to title one of article twelve of this chapter for use in a special assessing unit as defined in section eighteen hundred one of this chapter.

2. (a) Qualifying residential real property shall be exempt from taxation to the extent of fifteen percent of the assessed value of such property; provided however, that such exemption shall not exceed twelve thousand dollars or the product of twelve thousand dollars multiplied by the latest state equalization rate for the assessing unit, or in the case of a special assessing unit, the latest class ratio, whichever is less.

(b) In addition to the exemption provided by paragraph (a) of this subdivision, where the combat veteran served in a combat theatre or combat zone of operations, as designated by an executive order from the president, qualifying residential real property also shall be exempt from taxation to the extent of ten percent of the assessed value of such property; provided however, that such exemption shall not exceed eight

thousand dollars or the product of eight thousand dollars multiplied by the latest state equalization rate for the assessing unit, or in the case of a special assessing unit, the class ratio, whichever is less.

(c) In addition to the exemptions provided by paragraphs (a) and (b) of this subdivision, where the combat veteran received a compensation rating from the United State's veterans administration or from the United States department of defense because of a service connected disability, qualifying residential real property shall be exempt from taxation to the extent of the product of the assessed value of such property multiplied by fifty percent of the veteran's disability rating; provided, however, that such exemption shall not exceed forty thousand dollars or the product of forty thousand dollars multiplied by the latest state equalization rate for the assessing unit, or in the case of a special assessing unit, the latest class ratio, whichever is less. For purposes of this paragraph, where a combat veteran died in service of a service connected disability, such person shall be deemed to have been assigned a compensation rating of one hundred percent.

(d) Limitations. (i) The exemption from taxation provided by this subdivision shall be applicable to county, city, town village and school district taxation if the governing body of the school district in which the property is located, after public hearings, adopts a resolution providing such exemption, the procedure for such hearing and resolution shall be conducted separately from the procedures for any hearing and local law or resolution conducted pursuant to subparagraph (ii) of this paragraph, paragraph (b) of subdivision four, paragraph (d) of subdivision six and subdivision seven of the section.

(ii) Each county, city, town, village or school district may adopt a local law to reduce the maximum exemption allowable in paragraphs (a), (b) and (c) of this subdivision to nine thousand dollars, six thousand dollars and thirty thousand dollars, respectively, or six thousand dollars, four thousand dollars and twenty thousand dollars, respectively. Each county, city, town, village or school district is also authorized to adopt a local law to increase the maximum exemption allowable in paragraphs (a), (b) and (c) of this subdivision to fifteen thousand dollars, ten thousand dollars and fifty thousand dollars, respectively; eighteen thousand dollars, twelve thousand dollars and sixty thousand dollars, respectively; twenty-one thousand dollars, fourteen thousand dollars, and seventy thousand dollars, respectively; twenty-four thousand dollars, sixteen thousand dollars, and eighty thousand dollars, respectively; twenty-seven thousand dollars, eighteen thousand dollars, and ninety thousand dollars, respectively; thirty thousand dollars, twenty thousand dollars, and one hundred thousand dollars, respectively; thirty-three thousand dollars, twenty-two thousand dollars, and one hundred ten thousand dollars, respectively; thirty-six thousand dollars, twenty-four thousand dollars, and one hundred twenty thousand dollars, respectively; thirty-nine thousand dollars, twenty-six thousand dollars, and one hundred thirty thousand dollars, respectively; forty-two thousand dollars, twenty-eight thousand dollars, and one hundred forty thousand dollars, respectively; and forty-five thousand dollars, thirty thousand dollars and one hundred fifty thousand dollars, respectively. In addition, a county, city, town, village or school district which is a "high-appreciation municipality" as defined in this subparagraph is authorized to adopt a local law to increase the maximum exemption allowable in paragraphs (a), (b) and (c) of this subdivision to thirty-nine thousand dollars, twenty-six thousand dollars, and one hundred thirty thousand dollars, respectively; forty-two thousand dollars, twenty-eight

thousand dollars, and one hundred forty thousand dollars, respectively; forty-five thousand dollars, thirty thousand dollars and one hundred fifty thousand dollars, respectively; forty-eight thousand dollars, thirty-two thousand dollars and one hundred sixty thousand dollars, respectively; fifty-one thousand dollars, thirty-four thousand dollars and one hundred seventy thousand dollars, respectively; fifty-four thousand dollars, thirty-six thousand dollars and one hundred eighty thousand dollars, respectively; fifty-seven thousand dollars, thirty-eight thousand dollars and one hundred ninety thousand dollars, respectively; sixty thousand dollars, forty thousand dollars and two hundred thousand dollars, respectively; sixty-three thousand dollars, forty-two thousand dollars and two hundred ten thousand dollars, respectively; sixty-six thousand dollars, forty-four thousand dollars and two hundred twenty thousand dollars, respectively; sixty-nine thousand dollars, forty-six thousand dollars and two hundred thirty thousand dollars, respectively; seventy-two thousand dollars, forty-eight thousand dollars and two hundred forty thousand dollars, respectively; seventy-five thousand dollars, fifty thousand dollars and two hundred fifty thousand dollars, respectively. For purposes of this subparagraph, a "high-appreciation municipality" means: (A) a special assessing unit that is a city, (B) a county for which the commissioner has established a sales price differential factor for purposes of the STAR exemption authorized by section four hundred twenty-five of this title in three consecutive years, and (C) a city, town, village or school district which is wholly or partly located within such a county.

3. Application for exemption must be made by the owner, or all of the owners, of the property on a form prescribed by the commissioner. The owner or owners shall file the completed form in the assessor's office on or before the appropriate taxable status date. The exemption shall continue in full force and effect for all appropriate subsequent tax years and the owner or owners of the property shall not be required to refile each year. Applicants shall be required to refile on or before the appropriate taxable status date if the percentage of disability percentage increases or decreases or may refile if other changes have occurred which affect qualification for an increased or decreased amount of exemption. Any applicant convicted of making any willful false statement in the application for such exemption shall be subject to the penalties prescribed in the penal law.

3-a. Notwithstanding the provisions of this section or any other provision of law, in a city having a population of one million or more, applications for the exemption authorized pursuant to this section shall be considered timely filed if they are filed on or before the fifteenth day of March of the appropriate year.

4. (a) Notwithstanding the foregoing provisions of this section, no later than ninety days before the taxable status date next occurring on or after the thirty-first day of December two thousand nineteen, the governing board of any county, city, town or village may adopt a local law to provide that no exemption shall be granted pursuant to this section for the purposes of taxes levied for such county, city, town or village. For the purposes of a county which is not an assessing unit, the taxable status date next occurring on or after December thirty-first two thousand nineteen, shall mean the first such taxable status date of any city or town within such county upon the assessment roll of which the county levies taxes. A local law adopted pursuant to this paragraph may be repealed by the governing board of the applicable county, city,

town or village. Such repeal must occur at least ninety days prior to the taxable status date of such county, city, town or village.

(b) Notwithstanding any other provision of law to the contrary, no later than ninety days before the taxable status date next occurring on or after the thirty-first day of December, two thousand thirteen, the governing body of a school district may repeal a resolution adopted pursuant to subparagraph (i) of paragraph (d) of subdivision two of this section providing the exemption from taxation pursuant to this section for the purposes of taxes levied by such school district. Nothing contained in this paragraph shall be construed to preclude the governing body of a school district from subsequently adopting a resolution granting such exemption pursuant to this section.

5. Notwithstanding any other provision of law to the contrary, the provisions of this section shall apply to any real property held in trust solely for the benefit of a person or persons who would otherwise be eligible for a real property tax exemption, pursuant to this section, were such person or persons the owner or owners of such real property.

6. (a) For the purposes of this section, title to that portion of real property owned by a cooperative apartment corporation in which a tenant-stockholder of such corporation resides and which is represented by his share or shares of stock in such corporation as determined by its or their proportional relationship to the total outstanding stock of the corporation, including that owned by the corporation, shall be deemed to be vested in such tenant-stockholder.

(b) Provided that all other eligibility criteria of this section are met, that proportion of the assessment of such real property owned by a cooperative apartment corporation determined by the relationship of such real property vested in such tenant-stockholder to such real property owned by such cooperative apartment corporation in which such tenant-stockholder resides shall be subject to exemption from taxation pursuant to this section and any exemption so granted shall be credited by the appropriate taxing authority against the assessed valuation of such real property; the reduction in real property taxes realized thereby shall be credited by the cooperative apartment corporation against the amount of such taxes otherwise payable by or chargeable to such tenant-stockholder.

(c) Notwithstanding paragraph (b) of this subdivision, a tenant-stockholder who resides in a dwelling that is subject to the provisions of either article two, four, five or eleven of the private housing finance law shall not be eligible for an exemption pursuant to this section.

(d) Notwithstanding paragraph (b) of this subdivision, real property owned by a cooperative corporation may be exempt from taxation pursuant to this section by a municipality in which such property is located only if the governing body of such municipality, after public hearing, adopts a local law, ordinance or resolution providing therefor.

7. Notwithstanding the provisions of paragraph (c) of subdivision one of this section and subdivision three of this section, the governing body of any municipality may, after public hearing, adopt a local law, ordinance or resolution providing that where a veteran, the spouse of the veteran or unremarried surviving spouse already receiving an exemption pursuant to this section sells the property receiving the exemption and purchases property within the same county, or in the case of a city having a population of one million or more persons, within the same city, the assessor shall transfer and prorate, for the remainder of the fiscal year, the exemption received. The prorated exemption shall be based upon the date the veteran, the spouse of the veteran or unremar-

ried surviving spouse obtains title to the new property and shall be calculated by multiplying the tax rate or rates for each municipal corporation which levied taxes, or for which taxes were levied, on the appropriate tax roll used for the fiscal year or years during which the transfer occurred times the previously granted exempt amount times the fraction of each fiscal year or years remaining subsequent to the transfer of title. Nothing in this section shall be construed to remove the requirement that any such veteran, the spouse of the veteran or unremarried surviving spouse transferring an exemption pursuant to this subdivision shall reapply for the exemption authorized pursuant to this section on or before the following taxable status date, in the event such veteran, the spouse of the veteran or unremarried surviving spouse wishes to receive the exemption in future fiscal years.

8. The commissioner shall develop in consultation with the director of the New York state division of veterans' affairs a listing of documents to be used to establish eligibility under this section, including but not limited to a certificate of release or discharge from active duty also known as a DD-214 form or an Honorable Service Certificate/Report of Causality from the department of defense. Such information shall be made available to each county, city, town or village assessor's office, or congressional chartered veterans service officers who request such information. The listing of acceptable military records shall be made available on the internet websites of the division of veterans' affairs and the office of real property tax services.

§ 2. This act shall take effect April 1, 2019.