STATE OF NEW YORK

5284

2017-2018 Regular Sessions

IN SENATE

March 20, 2017

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

AN ACT to amend the Nassau county administrative code, in relation to levy and refund of real property taxes

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

Section 1. This act shall be known and may be cited as the "Nassau County Assessment Correction Act."

§ 2. Legislative intent. The legislature hereby finds that the property tax assessment refund program currently employed by the county of Nassau is deleterious to the county's fiscal health and unfair to county property taxpayers. By aggregating tax refunds from every taxing district into one new levy, the county improperly transfers tax obligations out of the originating tax district and onto all other tax districts in the county. As a result, taxpayers are in effect paying for services they do not receive. By failing to recognize that the tax rate should change as a result of the reduction in assessed value, the county overpays its refunds. This results in borrowing by the county and a further tax burden to fund interest payments on that borrowing. It is therefore the policy of the state that in cases where the tax levy was made using the incorrect assessed value, the county shall fund the assessment refund in the tax district and class of the original levy so that the properties whose assessments were reduced contribute toward the total refunds. Further, the county shall fund assessment refunds by means of a tax credit to eliminate the need for future borrowing. Finally, the county shall improve transparency of both taxation and assessment corrections by placing on each property taxpayer's bill the amount of tax levies, refunds and the cost of those refunds for each tax district and class.

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

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§ 3. Chapter 272 of the laws of 1939, constituting the Nassau county administrative code, is amended by adding a new section 6-42.0 to read as follows:

§ 6-42.0 Assessment correction tax credit and levy. a. Definitions:

1. For any tax district and class, the "assessment correction tax credit" is the amount constituting the difference between an original assessed value of a property and the corrected assessed value, determined pursuant to § 6-40.3 and § 6-40.4, multiplied by the original tax rate.

2. Within any tax district and class, the "assessment correction tax levy" is the cumulative total of assessment tax credits for a taxable year, excluding any interest or penalty payments that have been applied.

b. Every property tax district in Nassau County shall also be a Nassau County tax assessment correction district. The Nassau County legislature shall be the taxing authority for Nassau County tax assessment correction districts.

c. Notwithstanding any provision of law to the contrary, the procedure for refunds for overpayment of real property taxes due to a correction of assessment, pursuant to § 6-40.3 and § 6-40.4, shall be as follows:

1. Beginning with the tax year two thousand eighteen and every tax year thereafter, an assessment correction tax credit shall be awarded to the aggrieved person or corporation, to be applied against real property taxes owed the following year.

2. On August 1, 2018, and on such date every year thereafter, the Assessor's Office shall report to the Legislature the assessed value for all taxable real property and a list of all assessment correction tax credits by property class to be awarded for the upcoming tax year.

3. On August 15, 2018, and on such date every year thereafter, the Legislature shall approve the list of assessment correction tax credits, thereby establishing the assessment correction tax levy, and return such assessment correction tax levy to the Assessor's Office.

4. The Assessor's Office shall apply the assessment correction tax levy for each tax district and class.

d. For every tax bill rendered for taxes on real property for school districts due October 1, 2018 and every due date thereafter, and for such tax bills of any other taxing jurisdiction issued for taxes due December 1, 2018 and every due date thereafter, there shall be included in a prominent and itemized section providing the following information:

1. the overall tax levy for the tax district;

2. the tax rate for each property class in the tax district and class;

3. the assessment tax credit for the taxable property;

4. the assessment correction tax levy for each tax district and class; and

5. the net tax payment on the taxable property.

e. Jurisdictional and property class restrictions:

1. For each tax district and property class, the assessment correction tax levy shall be paid only by the property owners within that district and class.

2. The liability for the assessment correction tax levy of any individual class shall not extend to property owners of any other class, nor shall such liability of property owners within any district extend to property owners of any class outside the jurisdictional boundaries of such district.

f. Nassau County shall continue to be responsible for the payment of any interest and penalties associated with adjustments in assessment values or past borrowing undertaken to pay assessment refunds.

g. The county is hereby authorized to enter into multi-year tax settlement cases, utilizing assessment tax credits to fund corrections across multiple tax years.

§ 4. This act shall take effect on January 1, 2018.