STATE OF NEW YORK

1308

2019-2020 Regular Sessions

IN ASSEMBLY

January 14, 2019

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

AN ACT to amend the real property tax law, in relation to providing for the elimination of the separate utility class (class 3) in New York city

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

Section 1. The section heading and the opening paragraph of subdivision 1 of section 1802 of the real property tax law, the section heading as added by chapter 1057 of the laws of 1981 and the opening paragraph of subdivision 1 as separately amended by chapters 123 and 529 of the laws of 1990, are amended to read as follows:

Classification of real property in a special assessing unit **not located wholly within a city**.

All real property, for the purposes of this article, in a special assessing unit **not located wholly within a city** shall be classified as follows:

§ 2. The real property tax law is amended by adding a new section 1802-a to read as follows:

§ 1802-a. Classification of real property in a special assessing unit located wholly within a city. 1. All real property, for the purposes of this article, in a special assessing unit located wholly within a city shall be classified as follows:

Class one: (a) all one, two and three family residential real property, including such dwellings used in part for nonresidential purposes but which are used primarily for residential purposes, except such property held in cooperative or condominium forms of ownership other than (i) property defined in subparagraphs (b) and (c) of this paragraph and (ii) property which contains no more than three dwelling units held in condominium form of ownership and which was classified within this class on a previous assessment roll; and provided that, notwithstanding the

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

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provisions of paragraph (g) of subdivision twelve of section one hundred two of this chapter, a mobile home or a trailer shall not be classified within this class unless it is owner-occupied and separately assessed; and (b) residential real property not more than three stories in height held in condominium form of ownership, provided that no dwelling unit therein previously was on an assessment roll as a dwelling unit in other than condominium form of ownership; and (c) residential real property consisting of one family house structures owned by the occupant, situated on land held in cooperative ownership by owner occupiers, provided that; (i) such house structures and land constituted bungalow colonies in existence prior to nineteen hundred forty; and (ii) the land is held in cooperative ownership for the sole purpose of maintaining one family residences for members own use; and (d) all vacant land located within a special assessing unit which is a city other than such land in the borough of Manhattan south of or adjacent to the south side of 110th street, provided that any such vacant land which is not zoned residential must be situated immediately adjacent to property improved with a residential structure as defined in subparagraphs (a) and (b) of this paragraph, be owned by the same owner as such immediately adjacent residential property immediately prior to and since January first, nineteen hundred eighty-nine, and have a total area not exceeding ten thousand square feet.

Class two: all other residential real property which is not designated as class one, except hotels and motels and other similar commercial property.

Class three: all other real property which is not designated as class one or class two.

2. In addition to any requirements of law or rule of the commissioner, the assessment roll shall contain a separate column for the entry of the class designation required by this section. The assessor shall enter the appropriate class designation in this column for each parcel listed on the assessment roll.

3. The determination of inclusion within a class pursuant to this section shall be subject to administrative and judicial review as provided by law for the review of assessments.

§ 3. Subdivision 3 of section 1805 of the real property tax law, as amended by chapter 143 of the laws of 1989, and as further amended by subdivision (b) of section 1 of part W of chapter 56 of the laws of 2010, is amended to read as follows:

3. If the assessment appearing on an assessment roll completed on or after January first, nineteen hundred eighty-two for any parcel not subject to the provisions of subdivision one or two of this section, other than a parcel classified in class three in a special assessing unit not located wholly within the city, is greater than the assessment appearing on the previous year's assessment roll the assessor shall determine a transition assessment for such parcel for the first assessment roll on which such greater assessment appears and for each of the succeeding four assessment rolls by computing the difference between such greater assessment and the assessment appearing on such previous year's assessment roll and adding the following percentages of such difference to the assessment appearing on such previous year's assessment roll: in the first year, twenty percent; in the second year, forty percent; in the third year, sixty percent; in the fourth year, eighty percent; and in the fifth year, one hundred percent. If the assessment of a parcel is increased during a period for which transition assessments have been established because of any prior assessment increases,

such new increase shall be phased-in over a five-year period as set forth in this subdivision, and such phased-in increases shall be added to the transitional assessments previously established for the prior increase; provided, however, that if in any year any such transition assessment exceeds the actual assessment for such year, taxes imposed on such parcel for such year shall be based on such lesser actual assessment. Notwithstanding the foregoing, during the period of any such transition, the assessment roll shall contain an entry of the full amount of such greater assessment which shall be used by the commissioner in its determination of class ratios pursuant to paragraph (b) of subdivision one of section twelve hundred two of this chapter. In establishing state equalization rates, class equalization rates, special state equalization rates and special state equalization ratios under article twelve, article twelve-A and article twelve-B of this chapter, the commissioner shall use the transition assessments as provided for in this subdivision in its determinations, or where the actual assessment is the lesser, such actual assessment shall be so used.

§ 4. This act shall take effect immediately and shall be applicable to assessment rolls with a taxable status date following such effective date.