STATE OF NEW YORK

4082

2019-2020 Regular Sessions

IN ASSEMBLY

February 1, 2019

Introduced by M. of A. RA, RAIA, CROUCH, McDONOUGH, GIGLIO, FRIEND -- read once and referred to the Committee on Real Property Taxation

AN ACT to amend the real property tax law and the tax law, in relation to vacant redeveloped commercial property exemptions

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 421-p to read as follows:

§ 421-p. Vacant redeveloped commercial property exemptions. 1. Real property that is constructed, altered, or improved upon vacant land subsequent to the first day of January, two thousand twenty for the purpose of commercial, business or industrial activity shall be exempt from taxation and special ad valorem levies, to the extent hereinafter provided. For the purposes of these exemptions, the following terms shall have the following meanings: (a) "vacant land" means land, including land under water, which contains no enclosed, permanent improvement that has been neglected or abandoned for a period of eighteen months or more; and (b) "predominantly vacant land" means land, including land under water, that has been neglected or abandoned for a period of eighteen months or more on which not more than fifteen percent of the lot area contains enclosed, permanent improvements; in addition, such land may include existing foundations.

2. (a) (i) For real property that is newly constructed, improved and on vacant land and the value of the construction exceeds two million dollars, such real property shall be exempt for a period of five years to the extent of fifty per centum of the increase in assessed value thereof attributable to such construction and for an additional period of five years provided, however, that the extent of such exemption shall be decreased by twenty-five per centum. Such exemption shall be computed with respect to the "exemption base." The exemption base shall

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

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be the increase in assessed value as determined in the initial year of such ten year period following the filing of an original application.

The following table shall illustrate the computation of the tax exemption:

Year of exemption	Percentage of exemption
1	50
2	50
3	50
4	50
5	50
6	25
7	25
8	25
9	25
10	25

(ii) For real property that is newly constructed, improved and on vacant land and the value of the construction does not exceed two million dollars, such real property shall be exempt for a period of three years to the extent of fifty per centum of the increase in assessed value thereof attributable to such construction and for an additional period of two years provided, however, that the extent of such exemption shall be decreased by twenty-five per centum and such exemption shall be computed with respect to the "exemption base." The exemption base shall be the increase in assessed value as determined in the initial year of such five year period following the filing of an original application.

The following table shall illustrate the computation of the tax exemption:

Year of exemption	Percentage of exemption
1	50
2	50
3	50
4	25
5	25

(b) No such exemption shall be granted unless:

(1) such construction, alteration or improvement was commenced subsequent to the first day of January, two thousand twenty or such later date as may be specified by local law or resolution;

(2) the cost of such construction, alteration, or improvement exceeds the sum of ten thousand dollars or such greater amount as may be specified by local law or resolution; and

(3) such construction, alteration, or improvement is completed as may be evidenced by a certificate of occupancy or other appropriate documentation as provided by the owner.

(c) For purposes of this section the terms construction, alteration, and improvement shall not include ordinary maintenance and repairs.

(d) No such exemption shall be granted concurrent with or subsequent to any other real property tax exemption granted to the same improvements to real property, except, where during the period of such previous exemption, payments in lieu of taxes or other payments were made to the local government in an amount that would have been equal to or greater than the amount of real property taxes that would have been paid on such improvements had such property been granted an exemption pursuant to this section. In such case, an exemption shall be granted for a number of years equal to the exemption granted pursuant to this section less

the number of years the property would have been previously exempt from real property taxes.

3. Such exemption shall be granted only upon application by the owner of such real property on a form prescribed by the commissioner. Such application shall be filed with the assessor of the city, town, village, school district, or county having the power to assess property for taxation on or before the appropriate taxable status date of such city, town, village, school district or county and within one year from the date of completion of such construction, alteration, or improvement.

4. If the assessor is satisfied that the applicant is entitled to an exemption pursuant to this section, he or she shall approve the application and such real property shall thereafter be exempt from taxation and special ad valorem levies as herein provided commencing with the assessment roll prepared after the taxable status date referred to in subdivision three of this section. The assessed value of any exemption granted pursuant to this section shall be entered by the assessor on the assessment roll with the taxable property, with the amount of the exemption shown in a separate column.

5. The provisions of this section shall apply to real property used primarily for the buying, selling, storing or developing goods or services, the manufacture or assembly of goods or the processing of raw materials for businesses with between one and one hundred employees with a taxable income of no more than three hundred ninety thousand dollars. This section shall not apply to property used primarily for the furnishing of dwelling space or accommodations to either residents or transients other than hotels or motels.

6. In the event that real property granted an exemption pursuant to this section ceases to be used primarily for eligible purposes, the exemption granted pursuant to this section shall cease.

7. A county, city, town or village may, by local law, and a school district, except a city school district to which article fifty-two of the education law applies, may, by resolution, reduce the per centum of exemption otherwise allowed pursuant to this section; provided, however, that a project in course of construction and exemptions existing prior in time to passage of any such local law or resolution shall not be subject to any such reduction so effected. Any county, city, town, village or school district that has reduced the per centum of exemption pursuant to this subdivision may thereafter, by local law or resolution as the case may be, increase the per centum of exemption up to any per centum not exceeding the maximum allowed by subdivision two of this section, provided, however, that any such local law or resolution shall apply only to construction, alterations, or improvements commenced subsequent to the effective date of such local law or resolution. A copy of all such local laws or resolutions shall be filed with the commissioner and the assessor of each assessing unit which comprises the county, city, town or school district or, in the case of a village, the village assessor, or the applicable town or county assessor of a village which has adopted a local law provided in subdivision three of section fourteen hundred two of this chapter.

8. A county, city, town or village may, by local law, and a school district, except a city school district to which article fifty-two of the education law applies may, by resolution, establish a date for the commencement of effectiveness of exemptions offered pursuant to this section.

§ 2. Subsection (d) of section 615 of the tax law is amended by adding a new paragraph 6 to read as follows:

(6) small business relocating to vacant or predominantly vacant redeveloped commercial property. A twenty percent deduction is allowed for small businesses with between one and one hundred employees and a taxable income of no more than three hundred ninety thousand dollars. The small business is eligible for the deduction if it has relocated to a vacant land or predominantly vacant land, as defined in subdivision one of section four hundred twenty-one-p of the real property tax law, within the previous taxable year. However, the small business may only receive the deduction upon the approval of the real property taxation exemption described in subdivision four of section four hundred twenty-one-p of the real property tax law. The deduction may be allowed for the same duration of time as the real property tax exemption provided.

§ 3. Section 209 of the tax law is amended by adding a new subdivision 13 to read as follows:

13. For any taxable year beginning after two thousand nineteen, an eligible business with between one and one hundred employees and a taxable income of no more than three hundred ninety thousand dollars may be allowed to deduct twenty percent of its taxable income. A business is eligible if it has relocated on vacant land or predominantly vacant land, as defined in subdivision one of section four hundred twenty-one-p of the real property tax law, within the last year, and has received approval for the real property taxation exemption described in subdivision four of section four hundred twenty-one-p of the real property tax law. The deduction may be allowed for the same duration of time as the real property tax exemption provided.

§ 4. This act shall take effect immediately.