

# STATE OF NEW YORK

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4230--A

2019-2020 Regular Sessions

## IN SENATE

March 5, 2019

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Introduced by Sens. KAMINSKY, BROOKS, HARCKHAM, MAYER, THOMAS -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government -- 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 excluding water system property owned by water-works corporations from special franchise tax

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

1 Section 1. Short title. This act shall be known and may be cited as  
2 the "New York state water tax equality act".

3 § 2. Legislative findings and declaration. The legislature finds and  
4 declares that property taxes levied upon private water works corpo-  
5 rations adversely affects residents receiving water services from such  
6 corporations by passing on an additional tax burden that is not shared  
7 by neighboring rate payers receiving water from different sources. There  
8 is precedent for exempting other utilities from "special franchise"  
9 taxes for purposes of reducing rates. Additionally, there is no inten-  
10 tion or anticipation that this legislation would have any impact on the  
11 property tax cap authorized under section 3-c of the general municipal  
12 law and section 2023-a of the education law. It is the intent of the  
13 legislature to mandate that any tax reduction pursuant to this act to a  
14 private water works corporation must be used to benefit rate-payers  
15 through reduced monthly bills and not as a windfall to the corporation.  
16 Additionally, this act seeks to ensure, where possible, that the tax  
17 burden does not get shifted from current tax classes onto homeowners.

18 § 3. Subdivision 17 of section 102 of the real property tax law, as  
19 amended by chapter 569 of the laws of 1996, is amended to read as  
20 follows:

21 17. "Special franchise" means the franchise, right, authority or  
22 permission to construct, maintain or operate in, under, above, upon or

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

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1 through any public street, highway, water or other public place mains,  
2 pipes, tanks, conduits, wires or transformers, with their appurtenances,  
3 for conducting water, steam, light, power, electricity, gas or other  
4 substance, excluding water in counties of one million or more that are  
5 special assessing units and any assessing jurisdictions within such  
6 counties. For purposes of assessment and taxation a special franchise

7 shall include the value of the tangible property situated in, under,  
8 above, upon or through any public street, highway, water or other public  
9 place in connection therewith. The term special franchise shall not  
10 include central office equipment or station equipment (except public  
11 telephone terminal equipment) which first appears on assessment rolls  
12 prepared on the basis of taxable status dates occurring on or after  
13 October first, nineteen hundred ninety-five and which is owned by a  
14 telephone company as defined in paragraph (d) of subdivision twelve of  
15 this section, or owned by a telephone corporation as defined in subdivi-  
16 sion seventeen of section two of the public service law and certified by  
17 the public service commission under section ninety-nine of such law, nor  
18 shall it include property of a municipal corporation, public benefit  
19 corporation or special district, nor shall it include a crossing less  
20 than two hundred fifty feet in length of a public street, highway, water  
21 or other public place outside a city or village, unless such crossing be  
22 the continuation of an occupancy of another public street, highway,  
23 water or other public place. The term special franchise in counties of  
24 one million or more that are special assessing units and any assessing  
25 jurisdictions within such counties shall also not include any water  
26 system property owned by a water-works corporation located in such coun-  
27 ties, as such terms are defined in section two of the public service  
28 law.

29 § 4. The taxable assessed valuation of any water system special fran-  
30 chise property, as defined in subdivision 17 of section 102 of the real  
31 property tax law, owned by a water-works corporation in a county of one  
32 million or more that is a special assessing unit and any assessing  
33 jurisdictions within such counties, that is used for conducting water on  
34 assessment rolls required by law to be completed and filed on or after  
35 January first, two thousand [nineteen] twenty shall not exceed [~~the~~  
36 ~~taxable assessed valuation of such real property on final assessment~~  
37 ~~rolls completed and filed on or after January first, two thousand eigh-~~  
38 ~~teen; the taxable assessed valuation of such property on assessment~~  
39 ~~rolls required by law to be completed and filed on or after January~~  
40 ~~first, two thousand twenty shall not exceed~~] eighty percent of the taxa-  
41 ble assessed valuation of such real property on final assessment rolls  
42 completed and filed on or after January first, two thousand [eighteen]  
43 nineteen; the taxable assessed valuation of such property on assessment  
44 rolls required by law to be completed and filed on or after January  
45 first, two thousand twenty-one shall not exceed sixty percent of the  
46 taxable assessed valuation of such real property on final assessment  
47 rolls completed and filed on or after January first, two thousand [~~eigh-~~  
48 ~~teen~~] nineteen; the taxable assessed valuation of such property on  
49 assessment rolls required by law to be completed and filed on or after  
50 January first, two thousand twenty-two shall not exceed forty percent of  
51 the taxable assessed valuation of such real property on final assessment  
52 rolls completed and filed on or after January first, two thousand [~~eigh-~~  
53 ~~teen~~] nineteen; and the taxable assessed valuation of such property on  
54 assessment rolls required by law to be completed and filed on or after  
55 January first, two thousand twenty-three shall not exceed twenty percent  
56 of the taxable assessed valuation of such real property on final assess-

1 ment rolls completed and filed on or after January first, two thousand  
2 [~~eighteen~~ nineteen].

3 § 5. For purposes of this act, any tax relief realized by a water-  
4 works corporation shall be used to reduce current water rates and offset  
5 future water rate increases. Any reduction in the taxable assessed  
6 value in any taxing jurisdiction resulting from this act shall not be  
7 reflected in any adjusted proportions or adjusted base proportions  
8 established pursuant to article 18 of the real property tax law or  
9 adjusted homestead and non-homestead base proportions established pursu-  
10 ant to article 19 of the real property tax law.

11 § 6. This act shall take effect immediately; provided, however, that  
12 section three of this act shall take effect January 1, 2024.