

# STATE OF NEW YORK

4838

2021-2022 Regular Sessions

## IN ASSEMBLY

February 8, 2021

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

AN ACT to amend the real property tax law, in relation to the assessment  
of residential real property

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

1 Section 1. Section 581-a of the real property tax law, as added by  
2 chapter 714 of the laws of 2005, is amended to read as follows:

3 § 581-a. Assessment of residential real property. Notwithstanding any  
4 other provision of law, the assessed valuation of real property used for  
5 residential rental purposes where at least twenty percent of the resi-  
6 dential units are subject to an agreement with a municipality, the  
7 state, the federal government, or an instrumentality thereof, which  
8 agreement restricts occupancy of those units to tenants who qualify in  
9 accordance with an income test, [~~shall~~] may be determined using the  
10 income approach as applied to the actual net operating income, after  
11 deducting for reserves required by any federal, state or municipal  
12 programs. For the purposes of this section "net operating income" shall  
13 mean the actual or anticipated net income that remains after all operat-  
14 ing expenses are deducted from effective gross income, but before mort-  
15 gage debt service and book depreciation are deducted. The assessed valu-  
16 ation of real property used for such residential rental purposes [~~shall~~]  
17 may be determined using the actual net operating income, and, if such  
18 option is exercised, shall not include federal, state or municipal  
19 income tax credits, subsidized mortgage financing, or project grants,  
20 where such subsidies are used to offset the project development cost in  
21 order to provide for lower initial rents as determined by regulations  
22 promulgated by the division of housing and community renewal.

23 § 2. This act shall take effect immediately.

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

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