

STATE OF NEW YORK

1891

2021-2022 Regular Sessions

IN SENATE

January 16, 2021

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

AN ACT providing for a partial real property tax exemption for the water filtration plant for the City of Newburgh, Orange County, New York

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

1 Section 1. Legislative intent. The legislature finds as follows:

2 a. In 2014, potential contaminants, including Per- and Polyfluoroalkyl
3 Substances (PFAS) were detected in Lake Washington, the primary source
4 for the drinking water supply for the City of Newburgh in Orange County,
5 New York ("the City"). At the time, the level of contamination was at
6 170 ppt, below the 400 ppt limit then recommended by the U.S. Environ-
7 mental Protection Agency ("EPA"). When the EPA set a new level of 70 ppt
8 for short-term exposure in May 2016, the City manager declared an emer-
9 gency.

10 b. The source of contamination was determined to be PFOS- and
11 PFAS-containing firefighting foam used at Stewart Air National Guard
12 Base for training and emergency purposes. In August 2016, Stewart Air
13 National Guard Base was designated as a state Superfund site to hold the
14 U.S. Department of Defense responsible for full site clean-up.

15 c. New York State stepped in to assist with and fund the City's water
16 supply hookup to Brown's Pond and then to the Catskill Aqueduct for a
17 longer term, temporary water source. The State also constructed a granu-
18 lar activated carbon treatment facility ("GAC system") at the City's
19 water filtration plant to remove PFAS from the water in Washington Lake.
20 The GAC system became operational in 2018.

21 d. The City's water filtration plants and the GAC system are located
22 outside the municipal boundaries of the City in the towns of Newburgh
23 and New Windsor in Orange County. Both the county and the town of
24 Newburgh have exempted the City's water supply plants from real property
25 taxation. The City pays real property taxes annually to the town of New

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

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1 Windsor, and to the Newburgh Enlarged City School District and the Corn-
2 wall Central School District.

3 e. Following the construction of the GAC system, the town of New Wind-
4 sor reassessed the value of the City's water filtration plant in light
5 of the constructed improvements. The reassessment resulted in a substan-
6 tial increase in the property tax value and, thus, in taxes. The taxes
7 for the Newburgh Enlarged City School District alone rose from
8 \$49,604.25 during the 2016-2017 tax assessment year to \$303,046.59
9 during the 2018-2019 tax assessment year, an increase of nearly
10 \$250,000.00.

11 f. The City has commenced tax certiorari proceedings in the Supreme
12 Court of the State of New York, County of Orange for the 2017-2018 and
13 2018-2019 tax assessment years bearing Orange County Index Nos.
14 EF005922-2017 and EF007932-2018. Due to the City's tax certiorari
15 proceedings, the City has undertaken significant expense and will
16 continue to incur significant expense if the tax relief cannot be
17 obtained by legislative action.

18 g. But for the PFAS contamination of the City's water supply, the
19 construction of the GAC system as an improvement to the City's water
20 filtration plant property would have been unnecessary. The construction
21 of the GAC system has resulted in unbudgeted and unforeseen costs and
22 expenses to the City through no fault of its own.

23 § 2. a. Notwithstanding the provisions of section 406 of the real
24 property tax law or any other law, rule or regulation, the City of
25 Newburgh shall be entitled to a partial exemption from real property
26 taxes imposed by the town of New Windsor, the Newburgh Enlarged City
27 School District and the Cornwall Central School District. Such exemption
28 shall be granted to the extent of the increase in the assessment of the
29 water filtration plant property attributable to the construction of the
30 GAC system.

31 b. As a condition of such exemption, the City shall withdraw and
32 discontinue all of its tax certiorari proceedings against the town of
33 New Windsor.

34 c. The town of New Windsor, the Newburgh Enlarged City School District
35 and the Cornwall Central School District shall make appropriate
36 corrections to the subject rolls, provide for the refund of those taxes
37 paid and cancel any taxes, fines, penalties, interest or tax liens
38 remaining unpaid.

39 § 3. This act shall take effect immediately.