

STATE OF NEW YORK

4265

2021-2022 Regular Sessions

IN SENATE

February 3, 2021

Introduced by Sen. THOMAS -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

AN ACT to amend the real property tax law, in relation to authorizing an exemption for class one capital improvements to residential buildings and certain new construction in a special assessing unit that is not a city

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

1 Section 1. The section heading of section 421-f of the real property
2 tax law, as amended by chapter 590 of the laws of 1994, is amended to
3 read as follows:

4 Exemption of capital improvements to residential buildings and certain
5 new construction.

6 § 2. Section 421-f of the real property tax law is amended by adding a
7 new subdivision 1-a to read as follows:

8 1-a. Buildings classified as class one property in section eighteen
9 hundred two of this chapter reconstructed, altered, improved, or newly
10 constructed in a special assessing unit that is not a city shall be
11 exempt from taxation and special ad valorem levies to the extent
12 provided hereinafter in the same manner and to the same extent to coun-
13 ty, town, special district and school district taxes levied on the
14 assessment roll prepared by such special assessing unit. Additional
15 buildings and yard improvements shall be excluded from receiving this
16 exemption. An application shall not be required to receive the
17 exemption.

18 § 3. Subdivisions 2 and 3 of section 421-f of the real property tax
19 law, as amended by chapter 590 of the laws of 1994, subparagraph (ii) of
20 paragraph (a) of subdivision 2 and subdivision 3 as further amended by
21 subdivision (b) of section 1 of part W of chapter 56 of the laws of
22 2010, are amended to read as follows:

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

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1 2. (a) Such buildings shall be exempt for a period of one year to the
2 extent of one hundred per centum of the increase in assessed value ther-
3 eof attributable to such reconstruction, alteration or improvement, and
4 new construction pursuant to subdivision one-a of this section, and for
5 an additional period of seven years subject to the following:

6 (i) The extent of such exemption shall be decreased by twelve and
7 one-half per centum of the "exemption base" each year during such addi-
8 tional period. The "exemption base" shall be the increase in assessed
9 value as determined in the initial year of the term of the exemption,
10 except as provided in subparagraph (ii) of this paragraph.

11 (ii) In any year in which a change in level of assessment of fifteen
12 percent or more is certified for a final assessment roll pursuant to the
13 rules of the commissioner, the exemption base shall be multiplied by a
14 fraction, the numerator of which shall be the total assessed value of
15 the parcel on such final assessment roll (after accounting for any phys-
16 ical or quantity changes to the parcel since the immediately preceding
17 assessment roll), and the denominator of which shall be the total
18 assessed value of the parcel on the immediately preceding final assess-
19 ment roll. The result shall be the new exemption base. The exemption
20 shall thereupon be recomputed to take into account the new exemption
21 base, notwithstanding the fact that the assessor receives certification
22 of the change in level of assessment after the completion, verification
23 and filing of the final assessment roll. In the event the assessor does
24 not have custody of the roll when such certification is received, the
25 assessor shall certify the recomputed exemption to the local officers
26 having custody and control of the roll, and such local officers are
27 hereby directed and authorized to enter the recomputed exemption certi-
28 fied by the assessor on the roll. The assessor shall give written notice
29 of such recomputed exemption to the property owner, who may, if he or
30 she believes that the exemption was recomputed incorrectly, apply for a
31 correction in the manner provided by title three of article five of this
32 chapter for the correction of clerical errors.

33 (iii) [~~Such~~] Except in a special assessing unit that is not a city,
34 such exemption shall be limited to eighty thousand dollars in increased
35 market value, or such other sum less than eighty thousand dollars, but
36 not less than five thousand dollars as may be provided by the local law
37 or resolution, of the property attributable to such reconstruction,
38 alteration or improvement and any increase in market value greater than
39 such amount shall not be eligible for the exemption pursuant to this
40 section. In a special assessing unit that is not a city, the exemption
41 shall be limited to seven hundred fifty thousand dollars in increased
42 market value. For the purposes of this section, the market value of the
43 reconstruction, alteration or improvement, or new construction as
44 authorized by subdivision one-a of this section, shall be equal to the
45 increased assessed value attributable to such reconstruction, alteration
46 [~~or~~], improvement or new construction divided by the class [~~±~~] one ratio
47 in a special assessing unit or the most recently established state
48 equalization rate or special equalization rate in the remainder of the
49 state, except where the state equalization rate or special equalization
50 rate equals or exceeds ninety-five percent, in which case the increase
51 in assessed value attributable to such reconstruction, alteration [~~or~~],
52 improvement or new construction shall be deemed to equal the market
53 value of such reconstruction, alteration or improvement.

54 (b) [~~No~~] Except in a special assessing unit that is not a city, no
55 such exemption shall be granted for reconstruction, alterations or
56 improvements unless:

1 (i) such reconstruction, alteration or improvement was commenced
2 subsequent to the effective date of the local law or resolution adopted
3 pursuant to subdivision one of this section; and

4 (ii) the value of such reconstruction, alteration or improvement
5 exceeds three thousand dollars; and

6 (iii) the greater portion, as so determined by square footage, of the
7 building reconstructed, altered or improved is at least five years old.

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

10 3. [~~Such~~] Except in a special assessing unit that is not a city, such
11 exemption shall be granted only upon application by the owner of such
12 building on a form prescribed by the commissioner. The application shall
13 be filed with the assessor of the city, town, village or county having
14 the power to assess property for taxation on or before the appropriate
15 taxable status date of such city, town, village or county. In a special
16 assessing unit that is not a city, the exemption shall be applied based
17 upon that completion of reconstruction, alteration, improvement or new
18 construction on or before the applicable taxable status date of the
19 special assessing unit; provided, however that the exemption for such
20 reconstruction, alteration, improvement or new construction that
21 occurred after the taxable status date of such special assessing unit
22 for the two thousand nineteen -- two thousand twenty assessment roll
23 and on or before the taxable status date of such special assessing unit
24 for the two thousand twenty -- two thousand twenty-one assessment roll
25 shall be applied beginning with the two thousand twenty-one -- two thou-
26 sand twenty-two assessment roll.

27 § 4. Subdivisions 5, 6 and 7 of section 421-f of the real property tax
28 law, as amended by chapter 590 of the laws of 1994, are amended to read
29 as follows:

30 5. For the purposes of this section, except in a special assessing
31 unit that is not a city, a residential building shall mean any building
32 or structure designed and occupied exclusively for residential purposes
33 by not more than two families.

34 6. In the event that a building granted an exemption pursuant to this
35 section ceases to be used primarily for residential purposes [~~or~~], is no
36 longer classified as class one property in a special assessing unit that
37 is not a city, or title thereto is transferred to other than the heirs
38 or distributees of the owner in other than a special assessing unit that
39 is not a city, the exemption granted pursuant to this section shall
40 cease.

41 7. (a) [~~A~~] Except for a special assessing unit that is not a city, a
42 county, city, town or village may, by its local law, or school district,
43 by its resolution:

44 (i) reduce the per centum of exemption otherwise allowed pursuant to
45 this section;

46 (ii) limit eligibility for the exemption to those forms of recon-
47 struction, alterations or improvements as are prescribed in such local
48 law or resolution;

49 (iii) provide that the exemption shall be applicable only to those
50 improvements which would otherwise result in an increase in the assessed
51 valuation of the real property but which consist of an addition, remod-
52 eling or modernization to an existing residential structure to prevent
53 physical deterioration of the structure or to comply with applicable
54 building, sanitary, health and/or fire codes.

1 (b) No such local law or resolution shall reduce or repeal an
2 exemption granted pursuant to this section until the expiration of the
3 period for which such exemption was granted.

4 § 5. Applicability. This act shall be applicable beginning with the
5 two thousand twenty -- two thousand twenty-one assessment roll through
6 and including the two thousand twenty-two -- two thousand twenty-three
7 assessment roll.

8 § 6. Severability. If any clause, sentence, paragraph, section or part
9 of this act shall be adjudged by any court of competent jurisdiction to
10 be invalid and after exhaustion of all further judicial review, the
11 judgment shall not affect, impair or invalidate the remainder thereof,
12 but shall be confined in its operation to the clause, sentence, para-
13 graph, section or part of this act directly involved in the controversy
14 in which the judgment shall have been rendered.

15 § 7. This act shall take effect immediately.