

STATE OF NEW YORK

9399

IN SENATE

May 24, 2022

Introduced by Sen. SEPULVEDA -- read twice and ordered printed, and when printed to be committed to the Committee on Cities 1

AN ACT to amend the real property tax law, in relation to a rebate against real property taxes for certain owners of real property in the city of New York for the fiscal year commencing on the first of July, two thousand twenty-one

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

1 Section 1. The real property tax law is amended by adding a new
2 section 467-1 to read as follows:

3 **S 467-1. Rebate for owners of certain real property in the city of New**
4 **York. 1. Generally. Notwithstanding any provision of any general,**
5 **special or local law to the contrary, a city having a population of one**
6 **million or more is hereby authorized and empowered to adopt and amend**
7 **local laws in accordance with this section to grant a rebate of the**
8 **annual tax of an eligible property, in the amount provided in this**
9 **section, for the fiscal year beginning on the first of July, two thou-**
10 **sand twenty-one and ending on the thirtieth of June, two thousand twen-**
11 **ty-two to the owner of such eligible property, provided the qualified**
12 **gross income of all the owners for whom such property serves as their**
13 **primary residence was two hundred fifty thousand dollars or less in tax**
14 **year two thousand twenty. Where the eligible property, other than an**
15 **eligible property that is a dwelling unit in residential property held**
16 **in the cooperative form of ownership, is in arrears in the payment of**
17 **real property taxes, assessments, and any other charges that are made a**
18 **lien subject to the provisions of chapter three of title eleven of the**
19 **administrative code of the city of New York other than water rents,**
20 **sewer rents and sewer surcharges, such rebate shall be applied to any**
21 **such unpaid real property taxes, assessments, and other charges on the**
22 **account of such eligible property. Where the eligible property is a**
23 **dwelling unit in residential property held in the cooperative form of**
24 **ownership and such residential property is in arrears in the payment of**
25 **real property taxes, assessments, and any other charges that are made a**
26 **lien subject to the provisions of chapter three of title eleven of the**

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

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1 administrative code of the city of New York other than water rents,
2 sewer rents and sewer surcharges, such rebate shall be applied to any
3 unpaid real property taxes, assessments, and other charges on the
4 account of such residential property in an amount equal to the propor-
5 tionate share of the arrears of the dwelling unit. Notwithstanding any
6 provision of this article to the contrary, an owner whose property is
7 receiving benefits pursuant to any other section of this article shall
8 not be prohibited from receiving a rebate authorized pursuant to this
9 section if such owner is otherwise eligible to receive such rebate.

10 2. Definitions. As used in this section the following terms shall have
11 the following meanings:

12 a. "Annual tax" means the amount of real property tax that is imposed
13 on a property for the fiscal year beginning on the first of July, two
14 thousand twenty-one, determined after reduction for any amount for which
15 such property is exempt, or which is abated, pursuant to applicable law,
16 provided that, for a property that is a dwelling unit in residential
17 property held in the cooperative form of ownership, "annual tax" means
18 the amount of real property tax that is imposed on such residential
19 property divided by the number of units within such residential proper-
20 ty, including dwelling units and units used primarily for professional
21 or commercial purposes, determined after reduction for any amount for
22 which such property that is a dwelling unit is exempt, or which is
23 abated, pursuant to applicable law.

24 b. "Applicant" means an owner of an eligible property who, pursuant to
25 subdivision six of this section, may apply for the rebate authorized
26 pursuant to this section.

27 c. "Commissioner of finance" means the commissioner of finance of a
28 city having a population of one million or more, or such commissioner's
29 designee.

30 d. "Eligible property" means a property that, beginning on or after
31 June fifteenth, two thousand twenty-two, serves as the primary residence
32 of the owner of such property, and served as such owner's primary resi-
33 dence during the ninety days prior to such date.

34 e. "Erroneous rebate" means:

35 (i) a rebate that was granted to an owner who was not entitled to a
36 rebate under this section; or

37 (ii) a rebate that was granted or calculated in error under this
38 section.

39 f. "Owner" means one or more natural persons who, beginning on or
40 after June fifteenth, two thousand twenty-two, either:

41 (i) owns a property in fee simple absolute or as a tenant in common, a
42 joint tenant or a tenant by the entirety;

43 (ii) is a tenant-stockholder of a cooperative apartment corporation
44 who resides in a portion of real property owned by such cooperative
45 apartment corporation, to the extent represented by their share or
46 shares of stock in such corporation as determined by their proportional
47 relationship to the total outstanding stock of such corporation, includ-
48 ing such stock owned by such corporation; or

49 (iii) owns a present interest in a property under a life estate or who
50 is a beneficial owner under a trust.

51 g. "Immediate family member" means an owner's spouse, domestic part-
52 ner, sibling or child.

53 h. "Property" means a one, two, or three family residence or a dwell-
54 ing unit in residential property held in the cooperative or condominium
55 form of ownership. "Property" shall not include any vacant land.

1 i. "Proportionate share of the arrears of the dwelling unit" is the
2 quotient of the amount of unpaid real property taxes, assessments, and
3 other charges of a residential property held in the cooperative form of
4 ownership divided by the number of units therein, including dwelling
5 units and units used primarily for professional or commercial purposes.

6 j. "Qualified gross income" means the adjusted gross income for the
7 taxable year as reported for federal income tax purposes, or which would
8 be reported as adjusted gross income if a federal income tax return were
9 required to be filed. In computing qualified gross income, the net
10 amount of loss reported on Federal Schedule C, D, E, or F shall not
11 exceed three thousand dollars per schedule.

12 k. "Substantially higher" means no more than two hundred seventy-five
13 thousand dollars.

14 3. Primary residence. Any local law adopted pursuant to this section
15 shall establish a process by which an owner of a property shall demon-
16 strate primary residence, provided that such local law shall not require
17 such demonstration from an owner who receives a real property tax
18 exemption pursuant to section four hundred twenty-five of this title or
19 a school tax relief credit pursuant to subsection (eee) of section six
20 hundred six of the tax law for such property for the fiscal year
21 commencing on the first of July, two thousand twenty-two.

22 4. Amount of rebate. The amount of the rebate to be provided by the
23 commissioner of finance shall be the lesser of one hundred fifty dollars
24 or the annual tax imposed on the property.

25 5. Qualification for rebate for recipients of STAR credit or
26 exemption. The owner of an eligible property who receives a real prop-
27 erty tax exemption pursuant to section four hundred twenty-five of this
28 title or a school tax relief credit pursuant to subsection (eee) of
29 section six hundred six of the tax law for the fiscal year commencing on
30 the first of July, two thousand twenty-two and satisfies the require-
31 ments described in subdivision one of this section shall not be required
32 to file, and shall not file, an application for the rebate authorized
33 pursuant to this section. To the extent the commissioner of finance
34 determines that such an owner is not entitled to the rebate authorized
35 pursuant to this section, the commissioner shall send to such owner a
36 notice of denial of the rebate.

37 6. Qualification for rebate for owners of an eligible property who are
38 not recipients of STAR credit or exemption. a. Generally. The owner of
39 an eligible property who does not receive a real property tax exemption
40 pursuant to section four hundred twenty-five of this title or a school
41 tax relief credit pursuant to subsection (eee) of section six hundred
42 six of the tax law for the fiscal year commencing on the first of July,
43 two thousand twenty-two may file an application for the rebate author-
44 ized pursuant to this section, provided that, such owner satisfies the
45 requirements described in subdivision one of this section, and provided,
46 further, that for an eligible property that serves as the primary resi-
47 dence of more than one owner, all such owners shall jointly file an
48 application for such rebate. Notwithstanding any provision of any gener-
49 al, special or local law to the contrary, an application for a rebate
50 authorized pursuant to this section shall be filed by electronic means
51 on or before the date or dates established in the local law adopted
52 pursuant to this section. Upon a showing by an applicant that filing an
53 application by electronic means is not practicable for reasons including
54 but not limited to lack of access to, or ability to use, the technology
55 needed to file by electronic means, the commissioner of finance may
56 grant a waiver of the requirement to file such application by electronic

1 means. No rebate shall be granted pursuant to this section unless the
2 owner files such application within the time period or time periods
3 prescribed by the local law adopted pursuant to this section. No more
4 than one application shall be submitted for an eligible property.

5 b. Approval or denial of application. If the commissioner of finance
6 determines that an applicant is entitled to the rebate authorized pursuant
7 to this section, the commissioner shall approve such application,
8 notify such applicant of such approval, and grant such rebate to such
9 applicant. If the commissioner of finance determines that an applicant
10 is not entitled to the rebate authorized pursuant to this section, the
11 commissioner shall send to each such applicant a notice of denial of
12 such application. Such notice of denial shall specify the reason for
13 such denial and shall be sent in a manner to be provided in local laws
14 or in rules promulgated by the commissioner of finance. Failure to send
15 any such notice of denial or the failure of any applicant to receive
16 such notice shall not affect such denial and shall not prevent the levy,
17 collection and enforcement of taxes on the property of such applicant.

18 c. Review of submission. The burden shall be on the applicant to
19 establish that the property is the primary residence of such applicant,
20 that the qualified gross income of all the owners for whom such property
21 serves as their primary residence is two hundred fifty thousand dollars
22 or less and that any other requirements relating to the granting of the
23 rebate are satisfied.

24 d. Oath. The commissioner of finance shall have the authority to
25 require that statements made in connection with any application filed
26 pursuant to this section be made under oath. Such application shall
27 contain the following declaration: "I certify that all information
28 contained in this application is true and correct to the best of my
29 knowledge and belief. I understand that willful making of any false
30 statement of material fact herein will subject me to the provisions of
31 law relevant to the making and filing of false instruments and will
32 render this application null and void." Such application shall also
33 state that the applicant agrees to comply with and be subject to any
34 rules promulgated by the commissioner of finance pursuant to this
35 section.

36 7. Denial and revocation of rebate. a. Generally. The commissioner of
37 finance shall deny an application for a rebate or revoke any rebate
38 authorized pursuant to this section if it appears that: (i) the property
39 does not serve as the primary residence of the owner who has applied for
40 such rebate or who received the real property tax exemption pursuant to
41 section four hundred twenty-five of this title or a school tax relief
42 credit pursuant to subsection (eee) of section six hundred six of the
43 tax law for such property for the fiscal year commencing on the first of
44 July, two thousand twenty-two, (ii) prior to the granting of the rebate
45 authorized pursuant to this section, title to the property has been
46 transferred to a new owner other than to an immediate family member for
47 whom the property serves as the primary residence until, at a minimum,
48 the date on which such rebate is granted, or (iii) the property is
49 otherwise no longer eligible for the rebate.

50 b. Rights of owners. Upon determining that a rebate authorized pursuant
51 to this section shall be revoked, the commissioner of finance shall
52 send a notice so stating to the affected owner at the time and in the
53 manner to be provided in the local law adopted pursuant to this section.
54 Granting a rebate authorized pursuant to this section, denying a rebate
55 pursuant to subdivision five of this section, denying an application for
56 a rebate pursuant to paragraph b of subdivision six of this section, or

1 revoking a rebate granted pursuant to this section shall constitute a
2 final determination of the commissioner of finance, unless, within nine-
3 ty days, the owner seeks administrative review by the commissioner of
4 finance of such determination, provided that the burden shall be on the
5 owner to establish eligibility for the rebate. The failure to grant a
6 rebate authorized pursuant to this section to an owner who is not
7 required to submit an application pursuant to subdivision five of this
8 section and who does not receive a notice of denial pursuant to such
9 subdivision shall constitute a final determination by the commissioner
10 of finance unless such owner seeks administrative review by such commis-
11 sioner of such determination no later than the first of July, two thou-
12 sand twenty-three.

13 8. Restriction on rebate for married couples with two or more resi-
14 dences. The rebate authorized by this section shall be granted on no
15 more than one property owned by a married couple, unless such spouses
16 are living apart due to legal separation.

17 9. Record of ownership of an eligible property. Any local law adopted
18 pursuant to this section shall require that ownership of an eligible
19 property be recorded with the city register, the Richmond county clerk,
20 or the automated city register information system by the thirtieth of
21 June, two thousand twenty-two.

22 10. Proof of residency and information regarding qualified gross
23 income. In accordance with subdivisions one and three of this section,
24 the commissioner of finance may request proof of residency and informa-
25 tion relating to qualified gross income from any owner seeking to
26 receive a rebate authorized pursuant to this section.

27 11. Rebate returned for re-issuance. The commissioner of finance may
28 provide a credit against the annual tax of an eligible property in the
29 amount of the rebate when an owner of an eligible property requests that
30 a check in the amount of the rebate be re-issued to such owner, except
31 that no such credit shall be provided later than two years from the date
32 the rebate is granted.

33 12. Recovery of erroneous rebate. a. If the commissioner of finance
34 determines that an owner received an erroneous rebate, the commissioner
35 of finance shall recover such erroneous rebate, within six years of the
36 granting of such rebate, by deducting the amount of such erroneous
37 rebate from any refund otherwise payable to the owner of such property,
38 and any balance of the amount of such erroneous rebate remaining unpaid
39 shall constitute a tax lien on the property of such owner as of the due
40 and payable date provided on the tax bill mailed by the commissioner of
41 finance containing such amount. If such amount is not paid by such due
42 and payable date, interest at the rate applicable to delinquent real
43 property taxes on such property shall be charged and collected on such
44 amount from the due and payable date provided on such notice to the date
45 of payment. Such tax lien shall be enforceable in accordance with the
46 provisions of law relating to the enforcement of tax liens in any such
47 city. No lien created pursuant to this section shall be enforced against
48 a subsequent purchaser for value in good faith, provided that the
49 purchase occurred prior to the date the amount of the erroneous rebate
50 was entered on the statement of account for such property. Such authori-
51 ty shall supplement any other authority of the commissioner of finance
52 to enforce payment of the erroneous rebate by the owner of such proper-
53 ty.

54 b. To the extent a rebate was granted or calculated in error under
55 this section, the amount of the erroneous rebate shall be equal to the

1 difference between the amount of the rebate originally granted and the
2 amount to which the owner was entitled.

3 13. Penalty for material misstatements. a. Generally. If the commis-
4 sioner of finance determines, within three years from the granting of a
5 rebate authorized pursuant to this section, that there was a material
6 misstatement in an application filed pursuant to this section and that
7 such misstatement provided the basis for the granting of a rebate under
8 this section, the commissioner of finance shall proceed to impose a
9 penalty tax against the property of five hundred dollars in addition to
10 recovering the amount of any erroneous rebate under subdivision twelve
11 of this section. An application shall be deemed to contain a material
12 misstatement for this purpose when either:

13 (1) the applicant claimed the property was his, her or their primary
14 residence, when it was not;

15 (2) the applicant claimed that the applicant owned the property, when
16 the applicant did not; or

17 (3) the applicant claimed that the qualified gross income of all the
18 owners for whom such property serves as their primary residence was two
19 hundred fifty thousand dollars or less, when the qualified gross income
20 of such owners was a substantially higher amount.

21 b. Procedure. When the commissioner of finance determines that a
22 penalty tax shall be imposed, the penalty tax shall be entered on the
23 next ensuing tentative or final assessment roll. Each owner shall be
24 given notice of the possible imposition of a penalty tax, and shall be
25 entitled to seek administrative and judicial review of such action in
26 the manner provided by law.

27 14. Non-disclosure. The information contained in applications filed
28 with the commissioner of finance pursuant to subdivision six of this
29 section shall not be subject to disclosure under article six of the
30 public officers law.

31 § 2. This act shall take effect immediately; provided, however, if
32 this act shall have become a law after June 1, 2022, it shall take
33 effect immediately and shall be deemed to have been in full force and
34 effect on and after June 1, 2022.