

STATE OF NEW YORK

1293

2021-2022 Regular Sessions

IN ASSEMBLY

January 8, 2021

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

AN ACT to amend the real property tax law, in relation to providing for the elimination of the separate utility class (class 3) in New York city

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

1 Section 1. The section heading and the opening paragraph of subdivision 1 of section 1802 of the real property tax law, the section heading as added by chapter 1057 of the laws of 1981 and the opening paragraph of subdivision 1 as separately amended by chapters 123 and 529 of the laws of 1990, are amended to read as follows:

2 Classification of real property in a special assessing unit not
3 located wholly within a city.

4 All real property, for the purposes of this article, in a special
5 assessing unit not located wholly within a city shall be classified as
6 follows:

7 § 2. The real property tax law is amended by adding a new section
8 1802-a to read as follows:

9 § 1802-a. Classification of real property in a special assessing unit
10 located wholly within a city. 1. All real property, for the purposes of
11 this article, in a special assessing unit located wholly within a city
12 shall be classified as follows:

13 Class one: (a) all one, two and three family residential real proper-
14 ty, including such dwellings used in part for nonresidential purposes
15 but which are used primarily for residential purposes, except such prop-
16 erty held in cooperative or condominium forms of ownership other than
17 (i) property defined in subparagraphs (b) and (c) of this paragraph and
18 (ii) property which contains no more than three dwelling units held in
19 condominium form of ownership and which was classified within this class
20 on a previous assessment roll; and provided that, notwithstanding the
21

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

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1 provisions of paragraph (g) of subdivision twelve of section one hundred
2 two of this chapter, a mobile home or a trailer shall not be classified
3 within this class unless it is owner-occupied and separately assessed;
4 and (b) residential real property not more than three stories in height
5 held in condominium form of ownership, provided that no dwelling unit
6 therein previously was on an assessment roll as a dwelling unit in other
7 than condominium form of ownership; and (c) residential real property
8 consisting of one family house structures owned by the occupant, situ-
9 ated on land held in cooperative ownership by owner occupiers, provided
10 that; (i) such house structures and land constituted bungalow colonies
11 in existence prior to nineteen hundred forty; and (ii) the land is held
12 in cooperative ownership for the sole purpose of maintaining one family
13 residences for members own use; and (d) all vacant land located within a
14 special assessing unit which is a city other than such land in the
15 borough of Manhattan south of or adjacent to the south side of 110th
16 street, provided that any such vacant land which is not zoned residen-
17 tial must be situated immediately adjacent to property improved with a
18 residential structure as defined in subparagraphs (a) and (b) of this
19 paragraph, be owned by the same owner as such immediately adjacent resi-
20 dential property immediately prior to and since January first, nineteen
21 hundred eighty-nine, and have a total area not exceeding ten thousand
22 square feet.

23 Class two: all other residential real property which is not designated
24 as class one, except hotels and motels and other similar commercial
25 property.

26 Class three: all other real property which is not designated as class
27 one or class two.

28 2. In addition to any requirements of law or rule of the commissioner,
29 the assessment roll shall contain a separate column for the entry of the
30 class designation required by this section. The assessor shall enter the
31 appropriate class designation in this column for each parcel listed on
32 the assessment roll.

33 3. The determination of inclusion within a class pursuant to this
34 section shall be subject to administrative and judicial review as
35 provided by law for the review of assessments.

36 § 3. Subdivision 3 of section 1805 of the real property tax law, as
37 amended by chapter 143 of the laws of 1989, and as further amended by
38 subdivision (b) of section 1 of part W of chapter 56 of the laws of
39 2010, is amended to read as follows:

40 3. If the assessment appearing on an assessment roll completed on or
41 after January first, nineteen hundred eighty-two for any parcel not
42 subject to the provisions of subdivision one or two of this section,
43 other than a parcel classified in class three in a special assessing
44 unit not located wholly within the city, is greater than the assessment
45 appearing on the previous year's assessment roll the assessor shall
46 determine a transition assessment for such parcel for the first assess-
47 ment roll on which such greater assessment appears and for each of the
48 succeeding four assessment rolls by computing the difference between
49 such greater assessment and the assessment appearing on such previous
50 year's assessment roll and adding the following percentages of such
51 difference to the assessment appearing on such previous year's assess-
52 ment roll: in the first year, twenty percent; in the second year, forty
53 percent; in the third year, sixty percent; in the fourth year, eighty
54 percent; and in the fifth year, one hundred percent. If the assessment
55 of a parcel is increased during a period for which transition assess-
56 ments have been established because of any prior assessment increases,

1 such new increase shall be phased-in over a five-year period as set
2 forth in this subdivision, and such phased-in increases shall be added
3 to the transitional assessments previously established for the prior
4 increase; provided, however, that if in any year any such transition
5 assessment exceeds the actual assessment for such year, taxes imposed on
6 such parcel for such year shall be based on such lesser actual assess-
7 ment. Notwithstanding the foregoing, during the period of any such tran-
8 sition, the assessment roll shall contain an entry of the full amount of
9 such greater assessment which shall be used by the commissioner in its
10 determination of class ratios pursuant to paragraph (b) of subdivision
11 one of section twelve hundred two of this chapter. In establishing state
12 equalization rates, class equalization rates, special state equalization
13 rates and special state equalization ratios under article twelve, arti-
14 cle twelve-A and article twelve-B of this chapter, the commissioner
15 shall use the transition assessments as provided for in this subdivision
16 in its determinations, or where the actual assessment is the lesser,
17 such actual assessment shall be so used.

18 § 4. This act shall take effect immediately and shall be applicable to
19 assessment rolls with a taxable status date following such effective
20 date.