## 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 Assembly, do enact as follows:

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:

§ 581-a. Assessment of residential real property. Notwithstanding any 4 other provision of law, the assessed valuation of real property used for residential rental purposes where at least twenty percent of the residential units are subject to an agreement with a municipality, the state, the federal government, or an instrumentality thereof, which 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 valuation of real property used for such residential rental purposes [shall] may be determined using the actual net operating income, and, if such 17 option is exercised, shall not include federal, state or municipal 18 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.

§ 2. This act shall take effect immediately.

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

LBD08457-01-1