STATE OF NEW YORK

7520--A

2021-2022 Regular Sessions

IN ASSEMBLY

May 13, 2021

Introduced by M. of A. McDONALD -- read once and referred to the Committee on Real Property Taxation -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the real property tax law, in relation to a residential and mixed-use investment exemption program in certain cities and school districts

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

Section 1. The real property tax law is amended by adding a new section 485-v to read as follows:

§ 485-v. Residential and mixed-use investment exemption; certain cities and school districts. 1. As used in this section: (a) "residential and mixed-use real property" means any structure containing one to four units of which one unit may be for commercial or retail use, and the remaining units shall be for residential use; and

(b) "construction" means the creation, modernization, rehabilitation, expansion or other improvement of any structure but shall not include ordinary maintenance or repairs.

2. Residential and mixed-use real property constructed on or after the first day of July, two thousand twenty-one located in a city with a population of not less than fifty thousand and not more than fifty-one thousand, based upon the two thousand ten federal census, shall be exempt from city, county and school taxation as provided in this section.

3. (a) (i) Such real property shall be exempt for a period of four years to the extent of one hundred per centum of the increase in assessed value thereof attributable to such construction and for an additional period of eleven years provided, however, that the extent of such exemption shall be decreased by twenty-five per centum in year five, ten per centum in each year six through year nine, and five per centum each year during such additional period of six years and such

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

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exemption shall be computed with respect to the exemption base. The exemption base shall be the increase in assessed value as determined in the initial year of such fifteen-year period following the filing of an original application, except as provided in subparagraph (ii) of this paragraph.

(ii) In any year in which a change in level of assessment of fifteen percent or more is certified for a final assessment roll pursuant to the rules of the commissioner, the exemption base shall be multiplied by a fraction, the numerator of which shall be the total assessed value of the parcel on such final assessment roll, excluding any additional value derived from any physical or quantity changes to the parcel since the immediately preceding assessment roll, and the denominator of which shall be the total assessed value of the parcel on the immediately preceding final assessment roll. The result shall be the new exemption base. The exemption shall thereupon be recomputed to take into account the new exemption base, notwithstanding the fact that the assessor receives the certification of the change in level of assessment after the completion, verification and filing of the final assessment roll. In the event the assessor does not have custody of the roll when such certification is received, the assessor shall certify the recomputed exemption to the local officers having custody and control of the roll, and such local officers are hereby directed and authorized to enter the recomputed exemption certified by the assessor on the roll. The assessor shall give written notice of such recomputed exemption to the property owner, who may, if he or she believes that the exemption was recomputed incorrectly, apply for a correction in the manner provided by title three of article five of this chapter for the correction of clerical errors.

(iii) The following table shall illustrate the computation of the city, county and school district tax exemption:

Year of exemption	Percentage of exemption
1	100%
2	100%
3	100%
4	100%
5	75%
6	65%
7	55%
8	45%
9	35%
10	30%
11	25%
12	20%
13	15%
14	10%
15	5%

(b) No such exemption shall be granted unless:

(i) such construction was commenced on or after the first day of July, two thousand twenty-one or such later date as may be specified by resolution;

(ii) the residential and mixed-use real property is situated in a city with a population of not less than fifty thousand and not more than fifty-one thousand, based upon the two thousand ten federal census;

(iii) the cost of such construction exceeds the sum of seventy thousand dollars;

(iv) the property is located within the eligibility area, as designated by being located within the following U.S. census tracts:

(A) Tract 401;

(B) Tract 402;

(C) Tract 403;

(D) Tract 404;

(E) Tract 405;

(F) Tract 406;

(G) Tract 409;

(H) Tract 410; and

(v) such construction is completed as evidenced by a certificate of occupancy or other appropriate documentation as provided by the owner.

4. Such exemption shall be granted only upon application by the owner of such real property on a form prescribed by the commissioner. Such application shall be filed with the assessor of a city with a population of not less than fifty thousand and not more than fifty-one thousand, based upon the two thousand ten federal census, on or before the appropriate taxable status date of such city and within one year from the date of completion of such construction.

5. If the assessor is satisfied that the applicant is entitled to an exemption pursuant to this section, he or she shall approve the application and such real property shall thereafter be exempt from taxation by the city, and taxation by the county in which such city is located if such county passes a local law to provide for such exemption, and taxation by any school district which serves such city if such school district passes a resolution to provide for such exemption. The assessed value of any exemption granted pursuant to this section shall be entered by the assessor on the assessment roll with the taxable property, with the amount of the exemption shown in a separate column.

6. In the event that real property granted an exemption pursuant to this section ceases to be used primarily for eligible purposes, the exemption granted pursuant to this section shall cease to be applied to the property commencing with the immediately following assessment roll.

7. In the event that the real property is sold or the deed is transferred to a new owner or ownership entity differing in ownership or members, the exemption granted pursuant to this section shall cease to be applied to the property commencing on the immediately following assessment roll.

8. The exemption established pursuant to this section shall not apply to special assessments or special ad valorem levies on the property.

§ 2. This act shall take effect immediately and shall apply to assessment rolls prepared on the basis of taxable status dates occurring on or after January 1, 2022.