STATE OF NEW YORK

4855

2021-2022 Regular Sessions

IN SENATE

February 16, 2021

Introduced by Sen. REICHLIN-MELNICK -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government

AN ACT to amend the real property tax law, in relation to a residential revaluation exemption

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 revaluation exemption. 1. Applicability. The governing body of an assessing unit may, after a public hearing, adopt the provisions of this section by local law in the first year of a full value revaluation to provide a residential revaluation exemption. If the governing body of an assessing unit passes a local law pursuant to this subdivision, such exemption shall also apply in the same manner and to the same extent to each village, county, special district or school district that levies taxes on the assessment roll prepared by such assessing unit. A village assessing unit, within an assessing unit that has conducted a revaluation and that chooses to adopt that assessing unit's latest final assessment roll is permitted to adopt the provisions of this section within two years of its implementation.

2. Eligibility. (a) The assessors in each assessing unit that have adopted the provisions of this section shall, in the first year in which revaluation assessments are to be entered on the assessment roll and for the next succeeding year, apply to each eligible residential property an exemption as provided in subdivision three of this section. For the purpose of this section, to be an "eligible residential property" the following criteria must be met:

(i) The property must be a residential property, provided that dwelling units held in condominium form of ownership shall only be eligible if located in an approved assessing unit and classified in the homestead

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

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class or located in a special assessing unit and classified in class one;

(ii) The property must be eligible to receive the STAR exemption authorized by section four hundred twenty-five of this title or the owner or owners must be eligible to receive the personal income tax school tax relief (STAR) credit authorized by subsection (eee) of section six hundred six of the tax law, for such property;

(iii) In any given year, the owner or owners receiving the exemption pursuant to this section must be the same as the owner or owners that appeared on the assessment roll upon which the revaluation is implemented; and

(iv) The property must not have any delinquent taxes as of the taxable status date for the roll on which an exemption is applied.

(b) In addition to the criteria provided in paragraph (a) of this subdivision, an assessing unit may further limit the eligibility to eligible residential property whose full value increase exceeded a set percentage threshold as specified in their local law adopting the provisions of this section.

3. Exemption calculation. (a)(i) The exemption shall be computed with respect to a percentage of the "exemption base." The exemption base shall be the amount by which the assessed value of a property on the assessment roll upon which the revaluation is implemented exceeds the prior year's equalized assessed value, as determined in the initial year. The prior year's equalized assessed value shall be determined by applying the applicable change in level of assessment factor to the prior year's assessed value. Such exemption base shall not include increases due to a physical improvement or a removal or reduction of an exemption on property.

(ii) Any increase in the assessment of a property due to physical changes in the year following the implementation roll shall not be eligible for the exemption. In the event that any portion of a parcel is fully or partially removed from the roll during the year following the implementation roll by reason of fire, demolition, destruction or new exemption, the assessor shall reduce the exemption for any remaining portion in the same proportion assessment is reduced for such fire, demolition, destruction or new exemption. If a property's revaluation assessment is reduced pursuant to title one-A of article five, or title one or one-A of article seven of this chapter, the exemption shall be recomputed accordingly.

(b)(i) The exemption shall be to the extent of sixty-six per centum of the exemption base in year one and thirty-three per centum of the exemption base in year two.

(ii) The following table shall illustrate the computation of the exemption:

Year of exemption	Percentage of Exemption
1	66% of exemption base
2	33% of exemption base

4. Granting of exemption. (a) Such exemption shall be granted only upon application by the owner or owners of such real property on a form prescribed by the commissioner. Such application shall be filed with the assessor on or before the appropriate taxable status date for the assessment roll upon which the revaluation is implemented.

(b) 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 the taxable assessed value shall be reduced by the exemption, as in this section provided commencing with the assessment roll prepared

after the taxable status date. The assessed value of any exemption granted pursuant to this section shall be entered by the assessor on the assessment roll with the amount of the exemption shown in a separate column.

(c) In the event that the residential property granted an exemption pursuant to this section transfers ownership or otherwise ceases to meet the eligibility requirements of the exemption in subdivision two of this section, the exemption granted pursuant to this section shall be discontinued. Upon determining that an exemption granted pursuant to this section should be discontinued, the assessor shall mail a notice so stating to the owner or owners thereof at the time and in the manner provided by section five hundred ten of this chapter.

§ 2. This act shall take effect immediately.