STATE OF NEW YORK

10146

IN ASSEMBLY

May 10, 2024

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Barrett) -- read once and referred to the Committee on Real Property Taxation

AN ACT to amend the real property tax law, in relation to providing an exemption from taxation for capital improvements to residential buildings to reduce carbon emissions

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 421-q to read as follows:

§ 421-q. Exemption from taxation for capital improvements to residential buildings to reduce carbon emissions. 1. For the purposes of this section, the following terms shall have the following meanings:

(a) "Eligible real property" means any owner-occupied building or structure designed and occupied exclusively for residential purposes by not more than two families.

(b) "Eligible improvements" shall be limited to categories of work that result in a reduction of greenhouse gas emissions for the building, provided further that such work shall be in conformity with all applicable state and local laws. Eligible improvements shall include, but not be limited to, any of the following types of improvements:

(i) Replacement, repair or installation of new systems for heating or cooling, including domestic hot water;

(ii) Installation of solar, energy storage, or other mechanisms to offset use of energy from the electrical grid;

(iii) Replacement or installation of insulation in walls, roofs, flooring, windows, eaves, and around pipes;

(iv) Replacement or installation of thermostats to control temperature and building management systems;

(v) Installation of energy efficient appliances, fixtures, or lighting; and

(vi) Repair, replacement or modification of the electrical system, and/or wiring associated therewith.

(c) "Exemption base" means the amount of increased assessed value on eligible real property resulting from eligible improvements.

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

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2. Eligible real property reconstructed, altered or improved as a result of eligible improvements subsequent to the effective date of this section shall be exempt from taxation and special ad valorem levies to the extent provided in this section, provided that after a public hearing, the governing board of the applicable county, city, town or village adopts a local law and a school district, other than a school district subject to article fifty-two of the education law, adopts a resolution to grant the exemption authorized pursuant to this section. A copy of such local law or resolution shall be filed with the commissioner and the assessor of such county, city, town or village who prepares the assessment roll on which the taxes of such county, city, town, village or school district are levied.

3. Eligible real property subject to eligible improvements shall be exempt from taxation for a period of twenty years. For the first ten years after the eligible improvements have been completed, one hundred percent of the exemption base shall be exempt from taxation. Such exemption shall decrease by ten percent annually over the subsequent ten years.

4. The exemption established in this section shall be granted only upon application by the owner of such building on a form prescribed by the commissioner. The application shall be filed with the assessor of the city, town, village or county having the power to assess the applicable eligible real property for taxation on or before the appropriate taxable status date of such city, town, village or county.

5. If satisfied that the applicant is entitled to an exemption pursuant to this section, the assessor shall approve the application and such eligible real property shall thereafter be exempt from taxation and special ad valorem levies as herein provided commencing with the assessment roll prepared on the basis of the taxable status date referred to in subdivision four of this section. The assessed value of any exemption granted pursuant to this section shall be entered by the assessor on the assessment roll with the eligible property, with the amount of the exemption shown in a separate column.

6. In the event that eligible real property granted an exemption pursuant to this section ceases to be used primarily for residential purposes or title thereto is transferred to other than the heirs or distributees of the owner, the exemption granted pursuant to this section shall cease.

7. (a) A county, city, town or village may, by its local law, or school district, by its resolution may:

(i) reduce the per centum of exemption otherwise allowed pursuant to this section; or

(ii) limit or expand eligible improvements eligible for exemption pursuant to this section.

(b) No such local law or resolution shall reduce or repeal an exemption granted pursuant to this section until the expiration of the period for which such exemption was granted.

§ 2. This act shall take effect immediately and shall apply to assessment rolls based on taxable status dates occurring on or after such effective date.