

STATE OF NEW YORK

5898--E

2023-2024 Regular Sessions

IN ASSEMBLY

March 24, 2023

Introduced by M. of A. ANGELINO -- read once and referred to the Committee on Real Property Taxation -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- again reported from said committee with amendments, ordered reprinted as amended and recommitted to said committee -- recommitted to the Committee on Real Property Taxation in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- reported and referred to the Committee on Ways and Means -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- again reported from said committee with amendments, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the real property tax law, in relation to establishing a residential investment exemption in certain cities

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

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

3 § 485-y. Vacant residential real property improvement exemption;
4 certain cities. 1. Construction of improvements to residential real
5 property, provided that such real property was continuously vacant for a
6 period of at least three years prior to such construction, initiated on
7 or after January first, two thousand twenty-five in a city with a popu-
8 lation of not less than seven thousand fifty and not more than seven
9 thousand sixty, determined in accordance with the two thousand twenty
10 census, may be exempt from city taxation as provided in this section.

11 2. (a)(i) During the construction period, such real property shall be
12 fully exempt from city taxation, up to a period of eighteen months or
13 until a certificate of occupancy is issued, whichever is sooner, on all
14 city taxation. For the purposes of this section, the term "construction
15 period" shall mean the period of time beginning on the date which the

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

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1 actual construction of improvements to vacant residential real property,
2 pursuant to subdivision one of this section, lawfully begins in good
3 faith and ending on the date a certificate of occupancy has been issued.

4 (ii) (A) Upon the termination of the exemption provided for under
5 subparagraph (i) of this paragraph, such real property shall be exempt
6 for a period of one year to the extent of eighty per centum of the
7 assessed value thereof and for an additional period of three years,
8 provided, however, that the extent of such exemption shall decrease by
9 twenty per centum each year during such additional period of three years
10 and such exemption shall be computed with respect to the "exemption
11 base". For the purposes of this section, the term "exemption base" shall
12 mean the assessed value as determined by the assessor in the initial
13 year of such four-year period following the termination of the exemption
14 provided for under subparagraph (i) of this paragraph.

15 (B) The following table shall illustrate the computation of the city
16 tax exemption:

<u>17 Year of exemption</u>	<u>Percentage of exemption</u>
<u>18 1</u>	<u>80</u>
<u>19 2</u>	<u>60</u>
<u>20 3</u>	<u>40</u>
<u>21 4</u>	<u>20</u>

22 (C) Exemptions granted pursuant to this section shall apply to real
23 property taxes imposed for city purposes.

24 (b) No such exemption shall be granted unless: (i) such construction
25 of improvements was commenced on or after the first day of January, two
26 thousand twenty-five or such later date as may be specified by local
27 law;

28 (ii) the residential real property is situate in a city with a popu-
29 lation of not less than seven thousand fifty and not more than seven
30 thousand sixty, determined in accordance with the two thousand twenty
31 census; and

32 (iii) such construction is documented by a building permit, if
33 required, for the improvements, or other appropriate documentation as
34 required by the assessor.

35 3. Such exemption shall be granted only upon application by the owner
36 of such real property on a form prescribed by the commissioner. Such
37 application shall be filed with the assessor of a city with a population
38 of not less than seven thousand fifty and not more than seven thousand
39 sixty, determined in accordance with the two thousand twenty census, on
40 or before the appropriate taxable status date of such city and within
41 one year from the date of completion of such construction of improve-
42 ments.

43 4. If the assessor is satisfied that the applicant is entitled to an
44 exemption pursuant to this section, they shall approve the application
45 and such real property shall thereafter be exempt from taxation and
46 special ad valorem levies by a city with a population of not less than
47 seven thousand fifty and not more than seven thousand sixty, determined
48 in accordance with the two thousand twenty census, as provided in this
49 section commencing with the assessment roll prepared after the taxable
50 status date referred to in subdivision three of this section. The
51 assessed value of any exemption granted pursuant to this section shall
52 be entered by the assessor on the assessment roll with the taxable prop-
53 erty, with the amount of the exemption shown in a separate column.

54 5. In the event that real property granted an exemption pursuant to
55 this section ceases to be used primarily for eligible purposes, the
56 exemption granted pursuant to this section shall cease.

1 6. A city with a population of not less than seven thousand fifty and
2 not more than seven thousand sixty, determined in accordance with the
3 two thousand twenty census, may, by local law, establish a date for the
4 commencement of effectiveness of the exemption offered pursuant to this
5 section. A copy of all such local laws shall be filed with the commis-
6 sioner and the assessor of the city.

7 § 2. This act shall take effect immediately.