

# STATE OF NEW YORK

5779--C

2023-2024 Regular Sessions

## IN SENATE

March 15, 2023

Introduced by Sen. OBERACKER -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- recommitted to the Committee on Local Government in accordance with Senate Rule 6, sec. 8 -- 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 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-x to read as follows:

3 § 485-x. Vacant residential real property improvement exemption;  
4 certain cities. 1. Construction of improvements to residential real  
5 property, provided that such real property was vacant prior to such  
6 construction, initiated on or after January first, two thousand twenty-  
7 five in a city with a population of not less than seven thousand fifty  
8 and not more than seven thousand sixty, determined in accordance with  
9 the two thousand twenty census, may be exempt from city taxation as  
10 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  
16 actual construction of improvements to vacant residential real property,  
17 pursuant to subdivision one of this section, lawfully begins in good  
18 faith and ending on the date a certificate of occupancy has been issued.

19 (ii) (A) Upon the termination of the exemption provided for under  
20 subparagraph (i) of this paragraph, such real property shall be exempt  
21 for a period of one year to the extent of eighty per centum of the  
22 assessed value thereof and for an additional period of three years,

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

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1 provided, however, that the extent of such exemption shall decrease by  
 2 twenty per centum each year during such additional period of three years  
 3 and such exemption shall be computed with respect to the "exemption  
 4 base". For the purposes of this section, the term "exemption base" shall  
 5 mean the assessed value as determined by the assessor in the initial  
 6 year of such four-year period following the termination of the exemption  
 7 provided for under subparagraph (i) of this paragraph.

8 (B) The following table shall illustrate the computation of the city  
 9 tax exemption:

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

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

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

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

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

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

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

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

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

§ 2. This act shall take effect immediately.