

# STATE OF NEW YORK

5779--E

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 -- 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

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  
16 actual construction of improvements to vacant residential real property,

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

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1 pursuant to subdivision one of this section, lawfully begins in good  
 2 faith and ending on the date a certificate of occupancy has been issued.

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

14 (B) The following table shall illustrate the computation of the city  
 15 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>

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

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

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

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

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

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

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