STATE OF NEW YORK

3889

2023-2024 Regular Sessions

IN ASSEMBLY

February 8, 2023

Introduced by M. of A. FAHY -- read once and referred to the Committee on Real Property Taxation

AN ACT to amend the real property tax law, in relation to changing the amount of the exemption permitted for capital improvements to residential buildings

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

Section 1. Subparagraph (iii) of paragraph (a) of subdivision 2 of section 421-f of the real property tax law, as amended by section 3 of part WW of chapter 55 of the laws of 2021, is amended to read as follows:

(iii) [~~Except~~] **For exemptions granted pursuant to this section and authorized by a local law or resolution adopted prior to January first, two thousand twenty-four, except** in a special assessing unit that is not a city, such exemption shall be limited to eighty thousand dollars in increased market value, or such other sum less than eighty thousand dollars, but not less than five thousand dollars as may be provided by the local law or resolution, of the property attributable to such reconstruction, alteration or improvement and any increase in market value greater than such amount shall not be eligible for the exemption pursuant to this section. In a special assessing unit that is not a city, [~~the exemption shall be limited to seven hundred fifty thousand dollars in increased market value~~] **for exemptions granted pursuant to this section and authorized by a local law or resolution adopted on or after January first, two thousand twenty-four, such exemption shall be limited to two hundred thousand dollars in increased market value, or such other sum less than two hundred thousand dollars, but not less than five thousand dollars as may be provided by the local law or resolution, of the property attributable to such reconstruction, alteration or improvement and any increase in market value greater than such amount shall not be eligible for the exemption pursuant to this section**. For the purposes

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

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of this section, the market value of the reconstruction, alteration or improvement, or new construction as authorized by subdivision one-a of this section, shall be equal to the increased assessed value attributable to such reconstruction, alteration, improvement or new construction divided by the class one ratio in a special assessing unit or the most recently established state equalization rate or special equalization rate in the remainder of the state, except where the state equalization rate or special equalization rate equals or exceeds ninety-five percent, in which case the increase in assessed value attributable to such reconstruction, alteration, improvement or new construction shall be deemed to equal the market value of such reconstruction, alteration or improvement.

§ 2. Subparagraph (iii) of paragraph (a) of subdivision 2 of section 421-f of the real property tax law, as amended by chapter 590 of the laws of 1994, is amended to read as follows:

(iii) [~~Such~~] For exemptions granted pursuant to this section and authorized by a local law or resolution adopted prior to January first, two thousand twenty-four, such exemption shall be limited to eighty thousand dollars in increased market value, or such other sum less than eighty thousand dollars, but not less than five thousand dollars as may be provided by the local law or resolution, of the property attributable to such reconstruction, alteration or improvement and any increase in market value greater than such amount shall not be eligible for the exemption pursuant to this section. **For exemptions granted pursuant to this section and authorized by a local law or resolution adopted on or after January first, two thousand twenty-four, such exemption shall be limited to two hundred thousand dollars in increased market value, or such other sum less than two hundred thousand dollars, but not less than five thousand dollars as may be provided by the local law or resolution, of the property attributable to such reconstruction, alteration or improvement and any increase in market value greater than such amount shall not be eligible for the exemption pursuant to this section.** For the purposes of this section, the market value of the reconstruction, alteration or improvement shall be equal to the increased assessed value attributable to such reconstruction, alteration or improvement divided by the class I ratio in a special assessing unit or the most recently established state equalization rate or special equalization rate in the remainder of the state, except where the state equalization rate or special equalization rate equals or exceeds ninety-five percent, in which case the increase in assessed value attributable to such reconstruction, alteration or improvement shall be deemed to equal the market value of such reconstruction, alteration or improvement.

§ 3. This act shall take effect immediately; provided, however, that the amendments to subdivision 2 of section 421-f of the real property tax law made by section one of this act shall be subject to the expiration and reversion of such subdivision pursuant to section 7 of part WW of chapter 55 of the laws of 2021, as amended, when upon such date the provisions of section two of this act shall take effect.