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:

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

§ 485-x. Vacant residential real property improvement exemption; certain cities. 1. Construction of improvements to residential real property, provided that such real property was vacant prior to such construction, initiated on or after January first, two thousand twenty-five in a city with a population of not less than seven thousand fifty and not more than seven thousand sixty, determined in accordance with the two thousand twenty census, may be exempt from city taxation as provided in this section.

2. (a)(i) During the construction period, such real property shall be fully exempt from city taxation, up to a period of eighteen months or until a certificate of occupancy is issued, whichever is sooner, on all city taxation. For the purposes of this section, the term "construction period" shall mean the period of time beginning on the date which the actual construction of improvements to vacant residential real property, pursuant to subdivision one of this section, lawfully begins in good faith and ending on the date a certificate of occupancy has been issued.

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

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

Year of exemption	Percentage of exemption
1	80
2	60
3	40
4	20

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

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

(ii) the residential real property is situate in a city with a population of not less than seven thousand fifty and not more than seven thousand sixty, determined in accordance with the two thousand twenty census; and

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

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

4. If the assessor is satisfied that the applicant is entitled to an exemption pursuant to this section, they shall approve the application and such real property shall thereafter be exempt from taxation and special ad valorem levies by a city with a population of not less than seven thousand fifty and not more than seven thousand sixty, determined in accordance with the two thousand twenty census, as provided in this section commencing with the assessment roll prepared after the taxable status date referred to in subdivision three 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 taxable property, with the amount of the exemption shown in a separate column.

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

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

§ 2. This act shall take effect immediately.