STATE OF NEW YORK

8838

IN SENATE

March 19, 2024

Introduced by Sen. HELMING -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

AN ACT to amend the real property tax law, in relation to enacting the "homebuyer renovation property tax exemption act"

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

Section 1. Short title. This act shall be known and may be cited as the "homebuyer renovation property tax exemption act".

§ 2. Legislative findings. The legislature finds that much of New York's current housing stock is old and in need of repair, yet often the repairs are beyond the financial capability of many homeowners. This bill would give homeowners who invest in their property needed tax relief for a period of five years to allow them to recoup the investments made in their property and incentivize the revitalization of our existing housing stock. This incentive will bring abandoned and dilapidated homes back to life and help expand the housing stock of the future.

§ 3. The real property tax law is amended by adding a new section 421-p to read as follows:

§ 421-p. Exemption for renovated homes. 1. Primary residential property purchased after the effective date of this section by one or more persons, who either as part of the written contract for sale of the primary residential property, or who enters into a written contract within one hundred eighty days after closing of the sale of the primary residence for reconstruction, alteration or improvements, the value of which exceeds fifteen thousand dollars, to the primary residential property, shall be exempt from taxation levied by or on behalf of any county, city, town, village or school district in which such residential property is located for a period of five years from the date of purchase of the property. Such exemption shall apply solely to the increase in assessed value thereof attributable to such reconstruction, alteration, or improvement. For the purposes of this section, the purchase of an

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

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appliance, including, but not limited to, a refrigerator, oven, dishwasher, washer, or dryer, shall not constitute an improvement.

2. (a) No portion of a single family primary residential property shall be leased during the period of time when such exemption shall apply to the residence. If any portion of the single family primary residential property is found to be the subject of a lease agreement, the assessor shall discontinue any exemption granted pursuant to this section.

(b) In the event that a primary residential property granted an exemption pursuant to this section ceases to be used primarily for residential purposes or title thereto is transferred to other than the heirs or distributees of the owner, the exemption granted pursuant to this section shall be discontinued.

(c) Upon determining that an exemption granted pursuant to this section should be discontinued, the assessor shall mail a notice so stating to the owner or owners thereof at the time and in the manner provided by section five hundred ten of this chapter. Such owner or owners shall be entitled to seek administrative and judicial review of such action in the manner provided by law, provided that the burden shall be on such owner or owners to establish eligibility for the exemption.

3. Such exemption shall be granted only upon application by the owner of such residential property on a form prescribed by the commissioner. The application shall be filed with the assessor of the city, town, village or county having the power to assess property for taxation on or before the appropriate taxable status date of such city, town, village and county.

4. If satisfied that the applicant is entitled to an exemption pursuant to this section, the assessor shall approve the application and such primary residential property shall thereafter be exempt from taxation as provided in this section commencing with the assessment roll prepared on the basis of the taxable status date referred to in subdivision one 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. For purposes of this section, "primary residential property" means any one or two family house, townhouse or condominium located in this state which is owner occupied by such homebuyer.

§ 4. The commissioner of taxation and finance shall promulgate any rules and regulations necessary to implement the provisions of this act.

§ 5. This act shall take effect January 1, 2025.