

# STATE OF NEW YORK

9688

## IN SENATE

May 21, 2024

Introduced by Sen. FERNANDEZ -- 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 providing an exemption from taxation for capital improvements to residential buildings to reduce carbon emissions

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 421-q to read as follows:

3 § 421-q. Exemption from taxation for capital improvements to residen-  
4 tial buildings to reduce carbon emissions. 1. For the purposes of this  
5 section, the following terms shall have the following meanings:

6 (a) "Eligible real property" means any owner-occupied building or  
7 structure designed and occupied exclusively for residential purposes by  
8 not more than two families.

9 (b) "Eligible improvements" shall be limited to categories of work  
10 that result in a reduction of greenhouse gas emissions for the build-  
11 ing, provided further that such work shall be in conformity with all  
12 applicable state and local laws. Eligible improvements shall include,  
13 but not be limited to, any of the following types of improvements:

14 (i) Replacement, repair or installation of new systems for heating or  
15 cooling, including domestic hot water;

16 (ii) Installation of solar, energy storage, or other mechanisms to  
17 offset use of energy from the electrical grid;

18 (iii) Replacement or installation of insulation in walls, roofs,  
19 flooring, windows, eaves, and around pipes;

20 (iv) Replacement or installation of thermostats to control temperature  
21 and building management systems;

22 (v) Installation of energy efficient appliances, fixtures, or light-  
23 ing; and

24 (vi) Repair, replacement or modification of the electrical system,  
25 and/or wiring associated therewith.

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

LBD15548-01-4

1 (c) "Exemption base" means the amount of increased assessed value on  
2 eligible real property resulting from eligible improvements.

3 2. Eligible real property reconstructed, altered or improved as a  
4 result of eligible improvements subsequent to the effective date of this  
5 section shall be exempt from taxation and special ad valorem levies to  
6 the extent provided in this section, provided that after a public hear-  
7 ing, the governing board of the applicable county, city, town or village  
8 adopts a local law and a school district, other than a school district  
9 subject to article fifty-two of the education law, adopts a resolution  
10 to grant the exemption authorized pursuant to this section. A copy of  
11 such local law or resolution shall be filed with the commissioner and  
12 the assessor of such county, city, town or village who prepares the  
13 assessment roll on which the taxes of such county, city, town, village  
14 or school district are levied.

15 3. Eligible real property subject to eligible improvements shall be  
16 exempt from taxation for a period of twenty years. For the first ten  
17 years after the eligible improvements have been completed, one hundred  
18 percent of the exemption base shall be exempt from taxation. Such  
19 exemption shall decrease by ten percent annually over the subsequent  
20 ten years.

21 4. The exemption established in this section shall be granted only  
22 upon application by the owner of such building on a form prescribed by  
23 the commissioner. The application shall be filed with the assessor of  
24 the city, town, village or county having the power to assess the  
25 applicable eligible real property for taxation on or before the appro-  
26 priate taxable status date of such city, town, village or county.

27 5. If satisfied that the applicant is entitled to an exemption  
28 pursuant to this section, the assessor shall approve the application and  
29 such eligible real property shall thereafter be exempt from taxation  
30 and special ad valorem levies as herein provided commencing with the  
31 assessment roll prepared on the basis of the taxable status  
32 date referred to in subdivision four of this section. The assessed value  
33 of any exemption granted pursuant to this section shall be entered by  
34 the assessor on the assessment roll with the eligible property,  
35 with the amount of the exemption shown in a separate column.

36 6. In the event that eligible real property granted an exemption  
37 pursuant to this section ceases to be used primarily for residen-  
38 tial purposes or title thereto is transferred to other than the heirs or  
39 distributees of the owner, the exemption granted pursuant to this  
40 section shall cease.

41 7. (a) A county, city, town or village may, by its local law, or  
42 school district, by its resolution may:

43 (i) reduce the per centum of exemption otherwise allowed pursuant to  
44 this section; or

45 (ii) limit or expand eligible improvements eligible for exemption  
46 pursuant to this section.

47 (b) No such local law or resolution shall reduce or repeal an  
48 exemption granted pursuant to this section until the expiration of the  
49 period for which such exemption was granted.

50 § 2. This act shall take effect immediately and shall apply to assess-  
51 ment rolls based on taxable status dates occurring on or after such  
52 effective date.