

STATE OF NEW YORK

11243--A

IN ASSEMBLY

May 1, 2026

Introduced by M. of A. JACOBSON, SHRESTHA -- read once and referred to the Committee on Real Property Taxation -- 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 real property tax exemption for certain full-time residents of certain counties

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-r to read as follows:

3 § 421-r. Exemption for full-time residents of certain counties. 1.
4 Legislative findings and intent. The legislature hereby finds that
5 certain counties in this state contain a high proportion of housing
6 units that are not occupied on a year-round basis and are instead used
7 for seasonal, recreational, or occasional purposes. In such areas, local
8 governments and school districts continue to maintain public services,
9 infrastructure, and civic institutions year-round, even as the number of
10 full-time residents contributing to and supporting those systems is
11 limited by the high proportion of part-time occupancy.

12 The legislature further finds that existing real property tax struc-
13 tures do not distinguish between residential properties occupied on a
14 full-time, year-round basis and properties that are not so occupied, and
15 that limited data exists regarding the effects of targeted property tax
16 relief for year-round resident-occupied housing.

17 The purpose of this section is to authorize a pilot real property tax
18 exemption for certain year-round resident-occupied residential property,
19 in localities that choose to participate, within eligible counties. The
20 pilot is intended to allow the state and participating local governments
21 to evaluate the fiscal, administrative, and housing-related impacts of
22 such an exemption.

23 2. Definitions. For the purposes of this section, the following terms
24 shall have the following meanings:

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

LBD14651-07-6

1 (a) "Qualifying residential property" means a parcel of real property
2 improved by a dwelling used exclusively for residential purposes and
3 containing not more than three dwelling units. Real property that is
4 partly used for non-residential purposes, or that contains four or more
5 dwelling units, shall not be a qualifying residential property for
6 purposes of this section.

7 (b) "Eligible year-round residential property" or "eligible property"
8 means any qualifying residential property that is either:

9 (i) owned by one or more individuals, at least one of whom occupies
10 the property as their primary residence and is enrolled in or eligible
11 for the school tax relief (STAR) exemption pursuant to section four
12 hundred twenty-five of this article or the school tax relief (STAR)
13 credit pursuant to subsection (eee) of section six hundred six of the
14 tax law and meets the applicable income eligibility requirement of such
15 program; or

16 (ii) owned by one or more individuals and occupied by one or more
17 tenants as their primary residence under a written lease agreement with
18 a term of not less than twelve months.

19 (c) "Eligible county" means any county in this state having a popu-
20 lation of not less than one hundred fifty thousand and not more than one
21 million, and in which at least six percent of the total housing units
22 are categorized as for seasonal, recreational or occasional use accord-
23 ing to the latest available data from the American Community Survey of
24 the United States Census Bureau as of January first, two thousand twen-
25 ty-six.

26 3. General provisions; local option. (a) Real property located in an
27 eligible county that is an eligible year-round residential property
28 shall be exempt from taxation to the extent of ten percent of the
29 assessed value thereof for city, town, part town, special district,
30 village, school district or county purposes, exclusive of special
31 assessments, provided that the governing body of such city, town or
32 village, after a public hearing, adopts a local law or resolution
33 providing for such exemption.

34 (b) Following the adoption of a local law by a city, town or village
35 pursuant to paragraph (a) of this subdivision, the governing body of the
36 county in which such city, town or village is located may adopt a local
37 law, and the governing body of any school district that levies taxes in
38 such city, town or village may adopt a resolution, to likewise grant the
39 exemption authorized by this section for the county or school district
40 portion of the tax levy, as applicable. A county local law or school
41 district resolution adopted under this paragraph may provide that the
42 exemption shall apply in any city, town or village within its jurisdic-
43 tion that has adopted a local law or resolution pursuant to paragraph
44 (a) of this subdivision.

45 (c) Any exemption granted pursuant to this section shall be in addi-
46 tion to any other exemption or abatement of real property taxes author-
47 ized by law, provided the property is separately eligible for such other
48 exemption, and shall not reduce eligibility for or applicability of such
49 other exemption or abatement.

50 (d) A copy of any local law, ordinance or resolution adopted pursuant
51 to this subdivision shall be filed with the commissioner and with the
52 assessor of each city, town or village who prepares the assessment roll
53 on which the taxes of such county, city, town, village or school
54 district are levied.

55 4. Eligibility requirements. An exemption authorized pursuant to this
56 section shall not be granted unless the following conditions are met:

1 (a) The property for which the exemption is sought is a qualifying
2 residential property located within an eligible county as defined in
3 subdivision two of this section;

4 (b) The property for which the exemption is sought is the primary
5 residence of a full-time year-round resident, as evidenced by at least
6 one of the following circumstances:

7 (i) At least one owner of the property occupies such property as a
8 primary residence and is enrolled in or eligible for the STAR exemption
9 or credit as required pursuant to subparagraph (i) of paragraph (b) of
10 subdivision two of this section; or

11 (ii) at least one tenant occupies the property as a primary residence
12 under a lease of twelve months or more. In the case of a property occu-
13 pled by a tenant, the assessor may require documentation that the
14 tenant's occupancy is their primary residence, including but not limited
15 to a copy of the lease agreement and a government-issued identification
16 or other proof of residence showing the property address as the tenant's
17 address;

18 (c) The property for which the exemption is sought is used exclusively
19 for residential purposes. If any portion of the property is not used
20 exclusively for the residence of the qualifying owner or qualifying
21 tenant, such portion shall be subject to taxation and only the remaining
22 residential portion shall be entitled to the exemption provided by this
23 section. In no event shall an exemption be granted for a parcel of real
24 property containing four or more dwelling units, or for any portion of a
25 parcel of real property that is not used for residential purposes;

26 (d) If a qualifying residential property contains two or three dwell-
27 ing units, the exemption authorized by this section shall apply only to
28 the dwelling unit or units occupied on a year-round basis by a qualify-
29 ing owner or qualifying tenant. Any dwelling unit or units not occupied
30 as a primary residence by a qualifying owner or qualifying tenant shall
31 be considered a portion of the property that is not used for the resi-
32 dence of a qualifying occupant and no exemption shall be granted for the
33 assessed value attributable to such unit or units;

34 (e) Notwithstanding any other provision of law to the contrary, the
35 provisions of this section shall apply to real property in which a
36 person holds a legal life estate, or which is held in trust solely for
37 the benefit of a person or persons who would otherwise be eligible for
38 the exemption under this section were such person or persons the owner
39 or owners of such property. For purposes of this section, any such life
40 tenant or trust beneficiary who occupies qualifying real property as
41 their primary residence shall be deemed to be the owner of such property
42 during the period of their life estate or beneficial interest; and

43 (f) In the case of an owner-occupied property, the owner or at least
44 one of the owners has met the income eligibility requirements for the
45 basic STAR exemption or credit for the applicable income tax year and
46 the property is receiving a STAR exemption or credit. An owner who is
47 not enrolled in the STAR program or who has an income above the STAR
48 exemption or credit eligibility limit shall not qualify for the
49 exemption under this section. There shall be no income test for proper-
50 ties qualifying under subparagraph (ii) of paragraph (b) of subdivision
51 two of this section.

52 5. Administration by commissioner and assessors. (a) The commissioner,
53 acting through the office of real property tax services, shall provide
54 to each eligible county the parcel-level data identifying properties
55 whose owners are enrolled in the STAR program, to be used solely for the
56 administration of the exemption authorized by this section. Such data

1 shall be provided annually, or more frequently as deemed necessary by
2 the commissioner, and shall include information sufficient to identify
3 the parcels and confirm the property owners' primary residence and
4 income eligibility status under the STAR program. Such data shall be
5 subject to all applicable confidentiality and data protection require-
6 ments under state and federal law and shall not be disclosed or used for
7 any purpose other than the administration of this section. The eligible
8 county shall be responsible for disseminating such data to the assessors
9 of any city, town or village within the county that has adopted a local
10 law pursuant to this section, and for ensuring that such data is used
11 only for purposes authorized by this section.

12 (b) In any city, town or village that has opted into the exemption
13 established pursuant to this section, the assessor shall automatically
14 grant such exemption to each property that meets the eligibility crite-
15 ria of this section by virtue of the owner's enrollment in and quali-
16 fication for the STAR program. The assessor shall apply the exemption to
17 such qualifying owner-occupied properties without requiring a separate
18 application from the property owner. The assessor may require, at the
19 assessor's discretion, an owner to confirm primary residency status as
20 needed; provided, however, that proof of a current STAR exemption or
21 credit having been granted to the owner for such property shall be
22 generally sufficient evidence of eligibility under subparagraph (i) of
23 paragraph (b) of subdivision two of this section.

24 (c) The owner of any property that may be eligible for the exemption
25 under this section, but which is not automatically granted an exemption
26 pursuant to paragraph (b) of this subdivision, may apply for such
27 exemption by filing an application with the assessor on or before the
28 taxable status date. Such applications shall be available for, but not
29 limited to, owners of properties that are occupied year-round by tenants
30 and properties where the owner is eligible for the STAR exemption or
31 credit but were not identified as such in the commissioner's data.
32 Applications shall be made on a form prescribed by the commissioner and
33 shall include any documentation that the assessor deems necessary to
34 verify that the property and the owner or tenant meet the requirements
35 of this section. In the case of a property occupied by a year-round
36 tenant, the application shall include: (i) a copy of the written lease
37 or other rental agreement showing that such lease or agreement has a
38 duration of at least twelve months; and (ii) a government-issued iden-
39 tification or other proof of residence showing the property address as
40 the tenant's address. The assessor shall review each such application
41 and determine whether the property is eligible for the exemption. If the
42 assessor is satisfied that the requirements of this section are met, the
43 exemption shall be granted on the assessment roll for the applicable tax
44 year.

45 (d) An exemption granted under this section to a property occupied by
46 a year-round tenant shall remain in effect only so long as the property
47 continues to be occupied on a year-round basis by a tenant or tenants
48 under a lease of twelve months or more. The owner of such property shall
49 be required to certify annually, on a form and by a date prescribed by
50 the commissioner, that the property continues to meet the requirements
51 of paragraph (b) of subdivision two of this section. The assessor may
52 request updated documentation (such as a renewed lease or updated proof
53 of the tenant's residency) to verify continuing eligibility. If a prop-
54 erty receiving an exemption pursuant to this section ceases to be occu-
55 pied by a year-round tenant, or if the tenancy no longer meets the
56 requirements of this section, the owner shall promptly notify the asses-

1 sor, and the exemption shall be discontinued as of the next taxable
2 status date. In the case of an owner-occupied property, continued
3 enrollment by the owner or owners in the STAR program shall serve as
4 annual certification of eligibility, and no separate renewal application
5 shall be required from such owner or owners.

6 (e) If a property receiving an exemption pursuant to this section
7 ceases to satisfy the eligibility requirements for such exemption at any
8 time, the assessor shall discontinue such exemption on the next taxable
9 status date. The property owner or owners must promptly notify the
10 assessor if the property ceases to be the primary residence of the qual-
11 ifying owner or owners, is no longer occupied by a qualifying year-round
12 tenant, or if any other condition of eligibility is no longer met. If a
13 property owner fails to promptly notify the assessor of such ineligibil-
14 ity, such owner may be restricted from applying for or receiving the
15 exemption for a period of up to five years. A willful false statement on
16 an application for this exemption shall be grounds for revocation of the
17 exemption. Upon revocation, the property's taxable assessed value shall
18 be fully restored for the appropriate tax year or years, and the owner
19 may be held liable for any taxes wrongfully exempted.

20 6. Report on effectiveness of exemption. (a) Within five years of the
21 effective date of this section, the department shall conduct a study on
22 the impacts of the exemption authorized by this section for the purpose
23 of assisting the legislature in determining whether to extend the
24 authority to offer such exemption to additional counties that do not
25 otherwise meet the eligibility thresholds set forth in this section and
26 whether the amount of assessed value should be extended or changed in
27 its application.

28 (b) The department shall prepare a report detailing its findings and
29 any recommendations, which shall be delivered to the governor, the
30 temporary president of the senate, and the speaker of the assembly. The
31 report shall include, at a minimum, an analysis of: (i) the number of
32 counties, cities, towns, villages, and school districts that have opted
33 into the exemption; (ii) the number of properties receiving the
34 exemption and the aggregate assessed value exempted; (iii) the impact of
35 the exemption on the redistribution of tax liability to non-exempt prop-
36 erties; and (iv) any observable changes in year-round residency rates,
37 housing availability for full-time residents, or other demographic and
38 economic indicators in the jurisdictions that implemented the exemption.

39 § 2. This act shall take effect immediately and shall apply to assess-
40 ment rolls prepared on the basis of taxable status dates occurring on or
41 after the next succeeding January 1 that is at least ninety days after
42 the date on which this act shall have become a law.