# 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:

Section 1. The real property tax law is amended by adding a new section 421-r to read as follows:

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

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

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

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

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

LBD14651-07-6

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

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

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

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

(c) "Eligible county" means any county in this state having a population of not less than one hundred fifty thousand and not more than one million, and in which at least six percent of the total housing units are categorized as for seasonal, recreational or occasional use according to the latest available data from the American Community Survey of the United States Census Bureau as of January first, two thousand twenty-six.

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

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

(c) Any exemption granted pursuant to this section shall be in addition to any other exemption or abatement of real property taxes authorized by law, provided the property is separately eligible for such other exemption, and shall not reduce eligibility for or applicability of such other exemption or abatement.

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

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

<u>(a) The property for which the exemption is sought is a qualifying residential property located within an eligible county as defined in subdivision two of this section;</u>

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

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

<u>(ii) at least one tenant occupies the property as a primary residence under a lease of twelve months or more. In the case of a property occupied by a tenant, the assessor may require documentation that the tenant's occupancy is their primary residence, including but not limited to a copy of the lease agreement and a government-issued identification or other proof of residence showing the property address as the tenant's address;</u>

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

<u>(d) If a qualifying residential property contains two or three dwelling units, the exemption authorized by this section shall apply only to the dwelling unit or units occupied on a year-round basis by a qualifying owner or qualifying tenant. Any dwelling unit or units not occupied as a primary residence by a qualifying owner or qualifying tenant shall be considered a portion of the property that is not used for the residence of a qualifying occupant and no exemption shall be granted for the assessed value attributable to such unit or units;</u>

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

<u>(f) In the case of an owner-occupied property, the owner or at least one of the owners has met the income eligibility requirements for the basic STAR exemption or credit for the applicable income tax year and the property is receiving a STAR exemption or credit. An owner who is not enrolled in the STAR program or who has an income above the STAR exemption or credit eligibility limit shall not qualify for the exemption under this section. There shall be no income test for properties qualifying under subparagraph (ii) of paragraph (b) of subdivision two of this section.</u>

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

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

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

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

(d) An exemption granted under this section to a property occupied by a year-round tenant shall remain in effect only so long as the property continues to be occupied on a year-round basis by a tenant or tenants under a lease of twelve months or more. The owner of such property shall be required to certify annually, on a form and by a date prescribed by the commissioner, that the property continues to meet the requirements of paragraph (b) of subdivision two of this section. The assessor may request updated documentation (such as a renewed lease or updated proof of the tenant's residency) to verify continuing eligibility. If a property receiving an exemption pursuant to this section ceases to be occupied by a year-round tenant, or if the tenancy no longer meets the requirements of this section, the owner shall promptly notify the assessor, and the exemption shall be discontinued as of the next taxable status date. In the case of an owner-occupied property, continued enrollment by the owner or owners in the STAR program shall serve as annual certification of eligibility, and no separate renewal application shall be required from such owner or owners.

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

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

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

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