

STATE OF NEW YORK

9656

IN ASSEMBLY

January 21, 2026

Introduced by M. of A. CASHMAN -- read once and referred to the Committee on Real Property Taxation

AN ACT to amend the public health law and the real property tax law, in relation to authorizing real property taxing jurisdictions to grant a tax exemption for a primary residence purchased by a clinician in a clinician shortage area; and to amend the real property tax law, in relation to providing state aid to such jurisdictions for the savings granted by such exemption

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

1 Section 1. Legislative findings and intent. The legislature hereby
2 finds that several communities within the state, particularly those
3 located within rural areas, lack adequate access to clinicians. It is
4 well established that ensuring the sufficient availability of physi-
5 cians, physician assistants, nurse practitioners, and nurse midwives
6 directly benefits the health of state residents, and the legislature has
7 enacted several measures towards that end.

8 Furthermore, the legislature finds that municipalities are often best
9 situated to evaluate the needs of their communities. Therefore, it is
10 the intent of the legislature to offer counties, cities, towns, villages
11 and school districts the option to provide real property tax exemptions,
12 should they determine that such an incentive would aid in attracting
13 clinicians to areas currently underserved by the medical community.

14 § 2. Section 206 of the public health law is amended by adding a new
15 subdivision 32 to read as follows:

16 32. (a) The commissioner shall biennially designate and make available
17 a list of designated clinician shortage areas in the state. A designated
18 clinician shortage area shall be a county or other sub-county geographic
19 area determined by the commissioner to be in short supply of clinicians
20 in primary care practice and/or one or more medical specialties. The
21 list shall indicate for each designated clinician shortage area, if the
22 area is in short supply of primary care physicians, medical specialty
23 physicians and which medical specialty is in short supply in the desig-

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

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1 nated shortage area, physician assistants, nurse practitioners, and
2 nurse midwives.

3 (b) In establishing designated clinician shortage areas, the commis-
4 sioner, to the extent practicable, shall utilize criteria consistent
5 with the criteria utilized to make awards for the physician practice
6 support program established pursuant to paragraph (e) of subdivision
7 five-a of section twenty-eight hundred seven-m of this chapter.

8 (c) For the purposes of this subdivision, "medical specialty or
9 specialty area" shall mean the branch or branches of special competence
10 within a physician's medical practice as evidenced by their certif-
11 ication by a speciality medical board acceptable to the commissioner.

12 (d) For the purposes of this subdivision, "clinician" shall mean a
13 physician, physician assistant, nurse practitioner, or nurse midwife.

14 § 3. The real property tax law is amended by adding a new section 439
15 to read as follows:

16 § 439. Real property tax exemptions in designated clinician shortage
17 area. 1. A municipal corporation or school district may exempt real
18 property purchased by a clinician for use solely as their primary resi-
19 dence, to the extent provided in this section, from taxation by such
20 municipal corporation or school district if the clinician resides in and
21 has an office located within a clinician shortage area as designated by
22 the commissioner of health pursuant to subdivision thirty-two of section
23 two hundred six of the public health law. After a public hearing, the
24 governing body of a municipal corporation may adopt a local law, and the
25 board of a school district, other than a school district subject to
26 article fifty-two of the education law, may adopt a resolution, to grant
27 the exemption authorized pursuant to this section.

28 2. Exemptions provided pursuant to subdivision one of this section
29 shall only apply to real property purchased on or after the effective
30 date of this section, and the subsequent enactment of a local law or
31 adoption of a resolution to grant such real property tax exemption.

32 3. Any local law or resolution adopted pursuant to subdivision one of
33 this section shall establish the duration and percentage of such an
34 exemption, which shall exceed neither a period of five years nor thir-
35 ty-five percent of the property's assessed value. Such local law or
36 resolution may include other conditions or restrictions, including but
37 not limited to provisions regarding the maximum value of eligible prop-
38 erty, at the discretion of the promulgating municipal corporation or
39 school district.

40 4. A copy of such local laws or resolutions shall be filed with the
41 state board and the assessor for such municipal corporation or school
42 district who prepares the assessment roll upon which the taxes of such
43 municipal corporation or school district are levied.

44 § 4. The real property tax law is amended by adding a new section 985
45 to read as follows:

46 § 985. Effect of exemption in designated clinician shortage areas. 1.
47 In a municipal corporation or school district which elects to provide
48 the real property tax exemption in a designated clinician shortage area
49 pursuant to section four hundred thirty-nine of this chapter, the amount
50 of taxes to be levied for any tax year or school year, as the case may
51 be, shall be determined without regard to the fact that state aid will
52 be payable pursuant to this section. In addition, the tax rate for any
53 such year shall be determined as if no parcels are exempt from taxation
54 pursuant to section four hundred thirty-nine of this chapter. However,
55 the tax rate so determined shall be applied to the taxable assessed
56 value of each parcel after accounting for all applicable exemptions.

1 including the exemption authorized by section four hundred thirty-nine
2 of this chapter.

3 2. The tax savings for each parcel receiving the exemption authorized
4 by section four hundred thirty-nine of this chapter shall be computed by
5 subtracting the amount actually levied against the parcel from the
6 amount that would have been levied if not for the exemption.

7 3. (a) The total tax savings duly provided by a municipal corporation
8 or school district pursuant to this section shall be a state charge,
9 which shall be payable as provided in this subdivision.

10 (b) A municipal corporation or school district seeking state aid
11 pursuant to this subdivision shall submit an application therefor to the
12 commissioner. The application shall include such information as the
13 commissioner shall require.

14 (c) Upon approving an application for state aid pursuant to this
15 subdivision, the commissioner shall compute and certify the amount paya-
16 ble to a municipal corporation or school district. Such state aid shall
17 be payable upon the audit and warrant of the state comptroller from
18 vouchers certified and approved by the commissioner.

19 § 5. This act shall take effect immediately and shall apply to tax
20 years beginning on or after the first of March next succeeding such
21 effective date; or in the case of municipal taxing authorities which
22 have a taxable status date other than March first established by char-
23 ter, this act shall take effect with the first establishment of the
24 taxable status of real property in the municipality next succeeding the
25 effective date of this act.