STATE OF NEW YORK

10197

IN SENATE

May 5, 2026

Introduced by Sen. FAHY -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government

AN ACT to amend the general municipal law, in relation to authorizing certain municipalities to impose a tax on certain high-value non-primary residences

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

Section 1. The general municipal law is amended by adding a new section 3-d to read as follows:

§ 3-d. Authorization to impose a tax on certain high-value non-primary residences. 1. Definitions. For purposes of this section the following terms shall have the following meanings:

(a) "Municipality" means any city, town, or village located outside the city of New York.

(b) "Covered property" means real property:

(i) classified as a one-family, two-family, or three-family residential property;

(ii) having a five-year average market value equal to or greater than the applicable threshold established by local law pursuant to subdivision two of this section; and

(iii) that:

(A) is not the primary residence of its owner;

(B) is not leased or rented to a person using such property as their primary residence; and

(C) is not occupied as a primary residence by a member of the owner's family.

(c) "Primary residence" shall mean the dwelling unit where a natural person resides for the majority of the calendar year and which is designated as such for income tax purposes.

(d) "Owner" shall mean any individual or entity holding legal title to the property; provided, however, that eligibility for taxation under this section shall require that at least one beneficial owner maintains a primary residence outside the municipality in which the covered property is located.

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

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(e) "Five-year average market value" shall mean the average of the full market value of a property as determined for assessment purposes over the preceding five assessment rolls.

2. Authorization. (a) Notwithstanding any other provision of law, any municipality is hereby authorized and empowered to adopt and amend local laws imposing a tax on covered properties within its jurisdiction in accordance with this section.

(b) (i) Any municipality adopting a local law pursuant to this section shall establish a minimum market value threshold for the applicability of the tax authorized herein.

(ii) Such threshold shall not be less than two million five hundred thousand dollars and shall not exceed five million dollars, as determined by local law.

(iii) A municipality may, by local law, periodically adjust such threshold within the range authorized by this subdivision.

3. Rate of tax. (a) A tax imposed under this section shall be imposed annually at a rate not less than one-half of one percent and not more than four percent.

(b) A municipality may establish a graduated rate schedule within such minimum and maximum rates under paragraph (a) of this subdivision.

4. Administration and enforcement. (a) The tax authorized by this section shall be imposed, administered, collected, and enforced in the same manner as real property taxes or other local taxes, unless otherwise provided by local law.

(b) The department of taxation and finance is hereby authorized and directed, upon request of any municipality imposing a tax pursuant to this section, to provide such assistance as may be necessary to identify whether a property constitutes a primary residence for purposes of this section.

(c) A municipality may require annual filings, certifications of residency status, and such other documentation as necessary to determine applicability for taxation under this section.

5. Revenue distribution. (a) Fifty percent of all revenues collected pursuant to a local law authorized by this section shall be retained by the municipality imposing such local law.

(b) Fifty percent of all revenues collected pursuant to a local law authorized by this section shall be remitted to the state comptroller for deposit into the aid and incentives for municipalities program pursuant to the public protection and general government budget, or such successor fund or program as may be established by law, to support local governments having a population of less than one million.

6. Severability. If any clause, sentence, paragraph, or part of this section shall be found unlawful, such judgment shall not affect the remainder thereof.

§ 2. This act shall take effect immediately.