

# 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:

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

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

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

8 (b) "Covered property" means real property:

9 (i) classified as a one-family, two-family, or three-family residen-  
10 tial property;

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

14 (iii) that:

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

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

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

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

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

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

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

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

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

11 (ii) Such threshold shall not be less than two million five hundred  
12 thousand dollars and shall not exceed five million dollars, as deter-  
13 mined by local law.

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

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

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

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

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

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

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

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

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

45 § 2. This act shall take effect immediately.