STATE OF NEW YORK

4785

2025-2026 Regular Sessions

IN SENATE

February 12, 2025

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

AN ACT to amend the real property tax law, in relation to establishing local labor requirements as part of the approval to receive a real property tax business investment exemption

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

Section 1. Paragraph (b) of subdivision 2 of section 485-b of the real property tax law, as amended by chapter 305 of the laws of 1994, is amended to read as follows:

(b) No such exemption shall be granted unless**:**

(1) such construction, alteration, installation or improvement was commenced subsequent to the first day of January, nineteen hundred seventy-six or such later date as may be specified by local law or resolution;

(2) the cost of such construction, alteration, installation or improvement exceeds the sum of ten thousand dollars or such greater amount as may be specified by local law or resolution; [**and**]

(3) such construction, alteration, installation or improvement is completed as may be evidenced by a certificate of occupancy or other appropriate documentation as provided by the owner**;**

(4) such construction, alteration, installation or improvement meets the local labor requirements set forth pursuant to subdivision two-a of this section; and

(5) such construction, alteration, installation or improvement is performed by a developer, contractor, or subcontractor who has apprenticeship agreements appropriate for the type and scope of work to be performed, that have been registered with, and approved by, the commissioner of labor pursuant to the requirements found in article twenty-three of the labor law.

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

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§ 2. Section 485-b of the real property tax law is amended by adding a new subdivision 2-a to read as follows:

2-a. (a) For purposes of this subdivision:

(i) "local labor" shall mean workers who reside within the same county or an adjoining county.

(ii) "state labor" shall mean workers who reside in the state of New York.

(b) Any real property constructed, altered, installed or improved for the purpose of commercial, business or industrial activity shall be exempt from taxation and special ad valorem levies only if eighty-five percent or more of the workforce hired by the contractor or developer who is overseeing such construction, alteration, installation or improvement project are from the local labor market or, if after making a good faith effort such contractor or developer cannot hire enough of their workforce to satisfy the requirements of this subdivision, from the state labor market.

(c) The eighty-five percent requirement set forth by paragraph (b) of this subdivision shall be by contractor and in total at the time of completion of such project. A contractor or developer shall be required to keep daily log sheets of all field workers, commencing on the date of application for a real property tax exemption pursuant to this section. Any work performed after an application for such real property tax exemption shall be included in the determination of overall compliance with the requirements set forth in this subdivision. The commissioner shall require every contractor or developer to submit supporting documentation that the requirements of this section have been met when applying for an exemption pursuant to this section.

(d) (i) An exemption may be granted pursuant to this section for the following reasons even if the local labor requirements set forth pursuant to paragraph (b) of this subdivision are not met:

(1) the installation of specialized equipment is required by the manufacturer to be installed by only approved installers;

(2) specialized construction is required, and no local or state contractors or local or state construction workers have the required skills, certifications or training to perform such work;

(3) there are significant cost differentials in bid prices whereby the use of local or state labor significantly increases the subcontract or contract of a particular trade or work scope by at least twenty percent;

(4) no local or state labor is available for the project; or

(5) the contractor or developer requires key or core persons such as supervisors, foreman or construction workers to have special skills that are not available in the local or state labor market.

(ii) A request for an exemption from local labor requirements set forth pursuant to paragraph (b) of this subdivision shall be submitted to the department prior to any work being commenced.

(e) In addition to the local labor requirements set forth pursuant to this section, every contractor or developer shall make reasonable efforts to utilize vendors, material suppliers and professional services from New York state. Real property owners and contractors shall be required to keep records of such local vendors, material suppliers and professional services whom they have solicited and with whom they have contracted with or awarded. The department shall have the authority to request these additional materials as necessary.

§ 3. This act shall take effect immediately.