STATE OF NEW YORK

7845

2025-2026 Regular Sessions

IN SENATE

May 9, 2025

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 real property tax law and the urban development corporation act, in relation to establishing broadband opportunity areas

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

Section 1. Section 16-gg of section 1 of chapter 174 of the laws of 1968, constituting the New York state urban development corporation act, as added by section 2 of part MMM of chapter 58 of the laws of 2022, is amended by adding a new subdivision 14 to read as follows:

14. Broadband opportunity areas. (a) The division shall have the power to determine and establish broadband opportunity areas. To qualify as a broadband opportunity area, a location must be a population census tract that contains an underserved or unserved broadband serviceable location as defined by the federal communications commission.

(b) To qualify for the exemptions set forth in section 485-z of the real property tax law, providers of telecommunication services must provide reliable internet service with consistent speeds of at least 100 megabits per second for download and at least 20 megabits per second for upload, unless this requirement is waived for a specific project or location and a different speed level is approved by the division, but under no circumstances less than 25 megabits per second download and 3 megabits per second upload, to residences within a broadband opportunity area.

(c) The division may terminate a broadband opportunity area designation upon finding that (i) the applicant has failed substantially to implement the required broadband plan within the time stated therein; (ii) there has been inadequate management and evaluation of the broadband opportunity area at the local level; or (iii) the applicant has repeatedly failed to comply with program reporting requirements,

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

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provided, however, that no termination shall occur unless and until written notice has been given to the applicant and a public hearing has been held thirty days prior to the effective date of such termination.

(d) For the purposes of this section, "provider of telecommunication services" means any person who furnishes or sells telecommunications services regardless of whether such activities are the main business of such person or are only incidental thereto.

§ 2. The real property tax law is amended by adding a new section 485-z to read as follows:

§ 485-z. Broadband opportunity area. 1. (a) Last mile broadband infrastructure constructed, altered, installed or improved in an area designated a broadband opportunity area as established in subdivision fourteen of section sixteen-gg of section one of chapter one hundred seventy-four of the laws of nineteen hundred sixty-eight, constituting the New York state urban development corporation act, shall be exempt from taxation and special ad valorem levies by any municipal corporation in which located, for the period and to the extent herein provided, provided that the governing board of such municipal corporation, after public hearing, adopts a local law, ordinance or resolution providing therefor. For purposes of this section, "last mile" shall mean broadband infrastructure that is designed, built, and operated with the ability to serve every business or residential location at which mass-market fixed broadband internet service is, or can be, installed within three hundred feet of the path of construction, at speeds identified in section sixteen-gg of section one of chapter one hundred seventy-four of the laws of nineteen hundred sixty-eight, constituting the New York state urban development corporation act, regarding broadband opportunity areas.

(b) A municipal corporation may provide in such local law, ordinance or resolution, or in a separate local law, ordinance or resolution adopted after public hearing, that the exemption so authorized shall be for a term of ten years, notwithstanding that the designation of the area may expire prior to the end of such ten-year term. Any such local law, ordinance or resolution shall be applicable only to exemptions commencing on assessment rolls with taxable status dates on or after the effective date of such local law, ordinance or resolution.

2. (a) No such exemption shall be granted unless:

(i) notice of the designation of the broadband opportunity area has been filed with the clerk of the assessing unit by the commissioner on or before the applicable taxable status date;

(ii) the construction, alteration, installation or improvement commenced on or after the date the broadband opportunity area designated; and

(iii) the designation of the broadband opportunity area has not ended and has not been terminated on or before the applicable taxable status date.

(b) For purposes of this section the terms construction, alteration, installation and improvement shall not include ordinary maintenance and repairs.

(c) No such exemption shall be granted concurrent with or subsequent to any other real property tax exemption granted to the same improvements to real property, except, where during the period of such previous exemption, payments in lieu of taxes or other payments were made to the local government in an amount that would have been equal to or greater than the amount of real property taxes that would have been paid on such improvements had such property been granted an exemption pursuant to

this section. In such case, an exemption shall be granted for a number of years equal to the ten-year exemption granted pursuant to this section less the number of years the property would have been previously exempt from real property taxes.

3. Such exemption shall be granted only upon application by the owner of such real property on a form prescribed by the commissioner. The original of such application shall be filed with the assessor of the assessing unit. Such original application shall be filed on or before the appropriate taxable status date of such assessing unit and no later than one year from the date of completion of such construction, alteration, installation or improvement.

4. If the assessor receives the notice described in paragraph (a) of subdivision two of this section and an application by the owner of the real property, the assessor shall approve the application and such real property shall thereafter be exempt from taxation as herein provided commencing with the assessment roll prepared after the taxable status date referred to in subdivision three of this section. The assessed value of any exemption granted pursuant to this section shall be entered by the assessor on the assessment roll with the taxable property, with the amount of the exemption entered in a separate column.

5. Exemptions existing prior in time to the termination of the designation of broadband opportunity area pursuant to subdivision fourteen of section sixteen-gg of section one of chapter one hundred seventy-four of the laws of nineteen hundred sixty-eight, constituting the New York state urban development corporation act, or, in the case of a municipal corporation which has adopted a local law, ordinance or resolution pursuant to subdivision one of this section, prior in time to the expiration of such designation, shall continue as if the designation of the broadband opportunity area had not been terminated, or, if applicable, had not expired; provided, however, that any further increase in the value attributable to construction, alteration, installation or improvement commenced subsequent to the date of termination, or, if applicable, the date of expiration, shall not be eligible for exemption pursuant to this section.

§ 3. This act shall take effect on the ninetieth day after it shall have become a law. Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such effective date.