*** § 421-j. Exemption of capital investment in multiple dwelling buildings within certain cities.** 1. New construction of a multiple dwelling building, reconstruction, alteration, or improvement of a pre-existing multiple dwelling building or structure which is to be occupied or is occupied as a residence or home and consists of no less than four units, whether such dwelling is rented or owned as a cooperative or condominium, and is located in any city having a population of more than fifty-five thousand but less than fifty-six thousand as determined by the latest federal decennial census, where such construction or renovation is initiated subsequent to the effective date of a local law pursuant to this section shall be exempt from taxation and special ad valorem levies to the extent provided in this section. After a public hearing, the governing board of such city may adopt a local law to grant the exemption authorized pursuant to this section. A copy of such local law shall be filed with the commissioner and the assessor of such city who prepares the assessment roll on which the taxes of such city are levied.

2. (a) Such buildings within such city shall be exempt for a period of one year to the extent of one hundred percent of the increase in assessed value attributable to such new construction, reconstruction, alteration or improvement and for an additional period of seven years as illustrated in the following table:

Year	Exemption: percentage of increase in assessed value
2	87.5
3	75
4	62.5
5	50
6	37.5
7	25
8	12.5

(b) No such exemption shall be granted for construction, reconstruction, alteration or improvements unless:

(i) such reconstruction, alteration or improvement was commenced subsequent to the effective date of the local law adopted pursuant to subdivision one of this section by such city; and

(ii) the value of such new construction, reconstruction, alteration or

improvement exceeds fifteen thousand dollars per unit; and

(iii) a valid building permit shall have been issued.

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

3. Such exemption shall be granted only upon application by the owner of such building on a form prescribed by the commissioner. The application shall be filed with the assessor of such city on or before the appropriate taxable status date of such city.

4. If satisfied that the applicant is entitled to an exemption pursuant to this section, the assessor shall approve the application and such building shall thereafter be exempt from taxation and special ad valorem levies as provided in this section commencing with the assessment roll prepared on the basis of 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 shown in a separate column.

5. In the event that a building granted an exemption pursuant to this section ceases to be used primarily for residential purposes or title thereto is transferred to other than the heirs or distributees of the owner, the exemption granted pursuant to this section shall cease.

6. (a) The enactment of a local law in such city may:

(i) reduce the percent of exemption otherwise allowed pursuant to this section;

(ii) limit eligibility for the exemption to those forms of new construction, reconstruction, alteration or improvement as are prescribed in such local law or resolution;

(iii) provide that the exemption shall be applicable only to those improvements which would otherwise result in an increase in the assessed valuation of the real property but which consist of an addition, remodeling or modernization to an existing multiple residence structure to prevent physical deterioration of the structure or to comply with

applicable building, sanitary, health and/or fire codes.

(b) No such local law shall reduce or repeal an exemption granted pursuant to this section until the expiration of the period for which such exemption was granted.

7. No additional exemptions shall apply.

* NB There are 2 § 421-j's