§ 425. School tax relief (STAR) exemption. 1. Generally. Real property which satisfies the requirements of this section shall be exempt from taxation for school purposes as provided herein.

2. Exempt amount. (a) Overview. There shall be two variations of the exemption authorized by this section: an exemption for property owned by persons who satisfy the criteria set forth in subdivision three of this section, which shall be known as the "basic" STAR exemption, and an exemption for property owned by senior citizens who satisfy the criteria set forth in both subdivisions three and four of this section, which shall be known as the "enhanced" STAR exemption. The exempt amount for each assessing unit shall be determined annually as set forth in this subdivision, by multiplying the "base figure" by the locally-applicable "sales price differential factor," if any, multiplying the product by the appropriate "equalization factor" for the assessing unit, and, if necessary, increasing the result to equal the applicable "floor." The result is then rounded to the nearest multiple of ten dollars.

(b) Base figure. Subject to the adjustments prescribed below, the base figure for the exemption shall be as follows:

(i) For the nineteen hundred ninety-eight--ninety-nine school year, the base figure shall be fifty thousand dollars for eligible senior citizens; no exemption shall be allowed for other persons.

(ii) For the nineteen hundred ninety-nine--two thousand school year, the base figure shall be fifty thousand dollars for eligible senior citizens, and ten thousand dollars for other eligible persons.

(iii) For the two thousand--two thousand one school year, the base figure shall be fifty thousand dollars for eligible senior citizens, and twenty thousand dollars for other eligible persons.

(iv) For the two thousand one--two thousand two school year through the two thousand five--two thousand six school year, inclusive, the base figure shall be fifty thousand dollars for eligible senior citizens, and thirty thousand dollars for other eligible persons.

(v) For the two thousand six--two thousand seven school year through the two thousand eight--two thousand nine school year, inclusive, the base figure for the enhanced STAR exemption shall be fifty-six thousand eight hundred dollars, and the base figure for the basic STAR exemption shall be thirty thousand dollars.

(vi) For the two thousand nine--two thousand ten school year and thereafter:

(A) The base figure for the enhanced STAR exemption shall equal the prior year's base figure multiplied by the percentage increase in the consumer price index for urban wage earners and clerical workers (CPI-W) published by the United States department of labor, bureau of labor statistics, for the third quarter of the calendar year preceding the applicable school year, as compared to the third quarter of the prior calendar year. If a base figure as so determined is not exactly equal to a multiple of one hundred dollars, it shall be rounded to the nearest multiple of one hundred dollars. It shall be the responsibility of the commissioner to annually determine such base figures.

(B) The base figure for the basic STAR exemption shall be thirty thousand dollars.

(c) Sales price adjustment. (i) The base figure specified in paragraph (b) of this subdivision shall be increased for the counties and cities specified herein by multiplying that figure by the locally-applicable "sales price differential factor" determined by the commissioner. In no case shall the base figure specified in paragraph (b) of this subdivision be decreased as the result of this adjustment. A separate sales price differential factor shall be determined for each county in which the median sales price of residential real property exceeds the statewide median sales price of such property as determined herein, except that in the case of a county wholly contained within the boundaries of a city, a sales price differential factor shall be determined for the city as a whole rather than for any individual county therein. This factor shall be determined as provided herein.

(ii) In the case of a county, the median sales price of residential real property sold within the county in each of the three preceding calendar years shall be determined, and the average of those three medians shall be calculated. The data used for this purpose shall be based upon arm's length transfers within the county reported pursuant to section three hundred thirty-three of the real property law, excluding sales data which the commissioner finds to be unreliable, and including those adjustments requested by local assessors which the commissioner finds warranted.

(iii) In the case of a city which includes one or more entire counties

within its boundaries, the median sales price of residential real property sold within the city in each of the three preceding calendar years shall be determined, and the average of those three medians shall be determined. The data used for this purpose shall be based upon transfers reported to the city pursuant to a special or local law, excluding sales data which the commissioner finds to be unreliable, and including those adjustments requested by the local assessor which the commissioner finds warranted.

(iv) The median sales price of residential real property based on transactions reported pursuant to section three hundred thirty-three of the real property law in each of those same three calendar years shall be determined, subject to the exclusions and adjustments described above, and the average of those three medians shall be calculated.

(v) The average determined in subparagraph (ii) or (iii) of this paragraph, whichever is applicable, shall be divided by the average determined in subparagraph (iv) of this paragraph; provided that in no event shall the result be less than one.

(vi) The sales price of property which is held in condominium or cooperative form of ownership shall not be considered when determining median sales prices pursuant to this paragraph.

(d) Equalization adjustment. To account for the variance in the level of assessment among assessing units, the figure determined in paragraph (c) of this subdivision shall be multiplied by an "equalization factor," which shall be the appropriate state equalization rate or special equalization rate established by the commissioner. Provided, that in the case of a special assessing unit, (i) the equalization factor for class one in each school district portion shall be the class equalization rate for class one in the portion, and (ii) the equalization factor for class two in each school district portion shall be the equalization factor for class one in the portion, multiplied by the latest tax rate for class one in the portion, and then divided by the latest tax rate for class two in the portion. Provided further, that in any instance when school district taxes are levied upon an assessment roll which predates the latest final assessment roll, the equalization factor shall be the state equalization rate for the assessment roll upon which school district taxes are to be levied.

(e) Application of "floor". (i) For the two thousand eight--two

thousand nine school year, the result obtained in paragraph (d) of this subdivision may not be less than ninety percent of the exempt amount determined for the prior levy, unless the level of assessment in the assessing unit, or in class one in a special assessing unit, has changed by five percent or more, in which case the result obtained in paragraph (d) of this subdivision for the assessing unit, or for class one in a special assessing unit, may not be less than ninety percent of the product of the exempt amount determined for the prior levy multiplied by the applicable change in level of assessment factor.

(ii) For the two thousand nine--two thousand ten and subsequent school years, the result obtained in paragraph (d) of this subdivision may not be less than eighty-nine percent of the exempt amount determined for the prior levy, unless the level of assessment in the assessing unit, or in class one in a special assessing unit, has changed by five percent or more, in which case the result obtained in paragraph (d) of this subdivision for the assessing unit, or for class one in a special assessing unit, may not be less than eighty-nine percent of the product of the exempt amount determined for the prior levy multiplied by the applicable change in level of assessment factor.

(f) Rounding. The result obtained in paragraph (d) or (e) of this subdivision, whichever is applicable, shall be rounded to the nearest multiple of ten dollars, and shall thereupon be the exempt amount for the assessing unit for the levy of school district taxes on the corresponding assessment roll.

(g) Computation and certification by commissioner. It shall be the responsibility of the commissioner to compute the exempt amount for each assessing unit in each county in the manner provided herein, and to certify the same to the assessor of each assessing unit and to the county director of real property tax services of each county. Such certification shall be made at least twenty days before the last date prescribed by law for the filing of the tentative assessment roll. Provided, however, that where school taxes are levied on a prior year assessment roll, or on a final assessment roll that was filed more than one year after the tentative roll was filed, such certification shall be made no later than fifteen days after the publication of the data needed to compute the base figure for the enhanced STAR exemption pursuant to clause (A) of subparagraph (vi) of paragraph (b) of this subdivision,

and provided further, that upon receipt of such certification, the assessor shall thereupon be authorized and directed to correct the assessment roll to reflect the exempt amount so certified, or, if another person has custody or control of the assessment roll, to direct that person to make the appropriate corrections.

(h) Recertification required in certain cases. If the commissioner determines that an exempt amount calculated pursuant to this section differs from the exempt amount that should have been so calculated by five percent or more, due to a change in level of assessment, inaccurate or incomplete data, or other causes, it shall recompute the exempt amount for that assessing unit and shall certify the recomputed exempt amount to the assessor and the county director of real property tax services. The assessor shall thereupon be authorized and directed to correct the assessment roll accordingly, or, if another person has custody or control of the assessment roll, to direct that person to make the appropriate corrections. If the corrections are not made before school taxes are levied, the difference between the original exempt amount and the recertified exempt amount for each affected parcel shall be deemed a "clerical error" for purposes of title three of article five of this chapter, and shall be corrected accordingly.

(i) Villages. No exempt amount shall be determined under this section for a village, unless the boundaries of the village are coterminous with those of a union free school district.

(j) Certain city school districts. The commissioner shall adjust the exempt amount for each city containing a school district which is subject to article fifty-two of the education law, to account for the fact that the school district is fiscally dependent upon the city. This adjustment shall be made by multiplying the exempt amount that would otherwise be determined for the city by sixty-seven percent, or, in the case of a city with a population of one million or more, by fifty percent. The exempt amount resulting from this calculation shall be applied both to the assessed value for city school district purposes and to the assessed value for general city purposes, and state aid shall be payable on the combined tax savings in the manner provided by section thirteen hundred six-a of this chapter.

(k) Cooperative apartment corporations. (i) For the purposes of this section, title to that portion of real property owned by a cooperative

apartment corporation in which a tenant-stockholder of such corporation resides, and which is represented by his or her share or shares of stock in such corporation as determined by its or their proportional relationship to the total outstanding stock of the corporation, including that owned by the corporation, shall be deemed to be vested in such tenant-stockholder.

(ii) That proportion of the assessment of such real property owned by a cooperative apartment corporation determined by the relationship of such real property vested in such tenant-stockholder to such entire parcel and the buildings thereon owned by such cooperative apartment corporation in which such tenant-stockholder resides shall be subject to exemption from taxation pursuant to this section and any exemption so granted shall be credited by the appropriate taxing authority against the assessed valuation of such real property. Upon the completion of the final assessment roll, or as soon thereafter as is practicable, the assessor shall forward to the cooperative apartment corporation a statement setting forth the exemption attributable to each eligible tenant-stockholder. The reduction in real property taxes attributable to each eligible tenant-stockholder shall be credited by the cooperative apartment corporation against the amount of such taxes otherwise payable by or chargeable to such tenant-stockholder. The assessor shall also forward to the commissioner, at the time and in the manner prescribed by the commissioner, a statement setting forth the taxable assessed value attributable to each tenant-stockholder, without regard to the exemption, and such other information as the commissioner shall deem necessary to properly calculate the STAR credit authorized by subsection (eee) of section six hundred six of the tax law for those tenant-stockholders who qualify for it.

(iii) (A) Every cooperative apartment corporation, upon receiving an exemption pursuant to this section, shall provide to each eligible tenant-stockholder a written statement detailing: the full amount of the exemption to be credited to such tenant-stockholder, including information on how such amount was calculated pursuant to subparagraph (ii) of this paragraph, and how the exemption is being credited to such eligible tenant-stockholder, pursuant to the requirements of clause (B) of this subparagraph. Such written statement shall be mailed to each eligible tenant-stockholder no later than sixty days after such

cooperative apartment corporation receives such exemption.

(B) Every cooperative apartment corporation, upon receiving an exemption pursuant to this section, shall credit the full amount of the STAR exemption to each eligible tenant-stockholder in one of the following ways:

(I) A full credit against the fees and charges of any single month within the current assessment cycle with any balance to be so credited in full for the following month or months until exhausted;

(II) A proportional credit over six months during the current assessment cycle;

(III) A proportional credit over the twelve months during the current assessment cycle;

(IV) A payment of the total savings to the tenant-stockholder as an up-front, lump sum payment.

Such exemption shall be fully credited to each tenant-stockholder during the assessment cycle for which each tenant-stockholder was eligible for STAR.

(iv) Notwithstanding the provisions of subparagraph (ii) of this paragraph, when a cooperative apartment corporation is incorporated as a mutual company pursuant to the private housing finance law, and the granting of an exemption pursuant to this section would not inure to the benefit of eligible tenant-stockholders because the real property of such corporation is subject to an exemption from taxation pursuant to section thirty-three, ninety-three, one hundred twenty-five or five hundred fifty-six of the private housing finance law, an alternative benefit shall be provided to such corporation and passed through to eligible tenant-stockholders in the manner provided by this subdivision. Such alternative benefit shall consist of a reduction in the real property taxes or payments in lieu of taxes that would otherwise be payable on account of such real property. The total amount of such reduction shall be the sum of the "STAR savings" for all of the cooperative apartment units that are occupied by one or more eligible tenant-stockholders. The STAR savings for each such unit shall be equal to one-third of the exempt amount determined pursuant to paragraph (a) of this subdivision for purposes of the basic or enhanced exemption, as the case may be, multiplied by the applicable school tax rate, or in the

case of a school district described in paragraph (j) of this subdivision, by the applicable city tax rate. Provided, however, in no case shall the STAR savings for any individual unit exceed the amount payable by or chargeable to the unit on account of real property taxes or payments in lieu of taxes. The STAR savings so determined for each unit shall be credited by the cooperative apartment corporation against the real property taxes or payments in lieu of taxes otherwise payable by or chargeable to the eligible tenant-stockholders. The total of the alternative benefits provided pursuant to this subparagraph shall be a state charge which shall be payable in the same manner that school districts are compensated pursuant to section thirteen hundred six-a of this chapter for tax savings attributable to exemptions granted pursuant to this section.

(l) Trailers and mobile homes. (i) When the value of a trailer or mobile home has been included in the assessment of the land on which it is located pursuant to paragraph (g) of subdivision twelve of section one hundred two of this chapter, the provisions of this paragraph shall apply.

(ii) If the owner of the trailer or mobile home also owns the land, he or she may apply for exemption pursuant to this section in the same manner as any other homeowner.

(iii) If the owner of the trailer or mobile home does not own the land, he or she may apply for exemption pursuant to this section only upon the trailer or mobile home. If granted, only the portion of the assessment of the parcel attributable to the trailer or mobile home shall be subject to exemption from taxation pursuant to this section. In no event shall the exemption exceed the total assessed value attributable to the trailer or mobile home. The exemption shall be credited by the appropriate taxing authority against the assessed valuation of the parcel. Upon the completion of the final assessment roll, or as soon thereafter as is practicable, the assessor shall forward to the landowner a statement setting forth the exemption attributable to each eligible trailer or mobile home. The reduction in real property taxes attributable to each eligible trailer or mobile home shall be credited by the landowner against the rent payable on account of such trailer or mobile home, subject to the provisions of subdivision w of section two hundred thirty-three of the real property law.

(iv) Beginning with assessment rolls used to levy school district taxes for the two thousand twenty-two--two thousand twenty-three school year, no exemption shall be granted pursuant to this section to a mobile home that is described in this paragraph. Owners of such property may claim the credit authorized by subsection (eee) of section six hundred six of the tax law in the manner prescribed therein. The commissioner shall develop a process to automatically switch qualified exemption recipients into the STAR credit, and to request additional information from those exemption recipients whose credit eligibility cannot be independently confirmed. Each affected individual shall be notified of the switch as soon as practicable. Once the individual receives a STAR credit check and deposits or endorses it, he or she shall be deemed to have consented to the switch and shall not be permitted to switch back to the exemption.

3. Eligibility requirements. (a) Property use. To qualify for exemption pursuant to this section, the property must be a one, two or three family residence, a farm dwelling or residential property held in condominium or cooperative form of ownership. If the property is not an eligible type of property, but a portion of the property is partially used by the owner as a primary residence, that portion which is so used shall be entitled to the exemption provided by this section; provided that in no event shall the exemption exceed the assessed value attributable to that portion.

(b) Primary residence. The property must serve as the primary residence of one or more of the owners thereof.

(b-1) Income. For final assessment rolls to be used for the levy of taxes for the two thousand eleven-two thousand twelve through two thousand eighteen-two thousand nineteen school years, the parcel's affiliated income may be no greater than five hundred thousand dollars, as determined by the commissioner pursuant to subdivision fourteen of this section or section one hundred seventy-one-u of the tax law, in order to be eligible for the basic exemption authorized by this section. Beginning with the two thousand nineteen-two thousand twenty school year, for purposes of the exemption authorized by this section, the parcel's affiliated income may be no greater than two hundred fifty thousand dollars, as so determined. As used herein, the term "affiliated

income" shall mean the combined income of all of the owners of the parcel who resided primarily thereon on the applicable taxable status date, and of any owners' spouses residing primarily thereon. For exemptions on final assessment rolls to be used for the levy of taxes for the two thousand eleven-two thousand twelve school year, affiliated income shall be determined based upon the parties' incomes for the income tax year ending in two thousand nine. In each subsequent school year, the applicable income tax year shall be advanced by one year. The term "income" as used herein shall have the same meaning as in subdivision four of this section, and the provisions of clause (B) of subparagraph (ii) of paragraph (b) of subdivision four of this section shall be equally applicable to the basic exemption.

(c) Trusts. If legal title to the property is held by one or more trustees, the beneficial owner or owners shall be deemed to own the property for purposes of this subdivision.

(d) Farm dwellings not owned by the resident. (i) If legal title to the farm dwelling is held by an S-corporation or by a C-corporation, the exemption shall be granted if the property serves as the primary residence of a shareholder of such corporation.

(ii) If the legal title to the farm dwelling is held by a partnership, the exemption shall be granted if the property serves as the primary residence of one or more of the partners.

(iii) If the legal title to the farm dwelling is held by a limited liability company, the exemption shall be granted if the property serves as the primary residence of one or more of the owners.

(iv) Any information deemed necessary to establish shareholder, partner or owner status for eligibility purposes shall be considered confidential and exempt from the freedom of information law.

(e) Dwellings owned by limited partnerships. (i) If legal title to a dwelling is held by a limited partnership, the exemption shall be granted if the property serves as the primary residence of one or more of the partners, provided that the limited partnership which holds title to the property does not engage in any commercial activity, that the limited partnership was lawfully created to hold title solely for estate planning and asset protection purposes, and that the partner or partners who primarily reside thereon personally pay all of the real property taxes and other costs associated with the property's ownership.

(ii) Any information deemed necessary to establish partner status for eligibility purposes shall be considered confidential and exempt from the freedom of information law.

4. Senior citizens. The enhanced exemption for property owned by senior citizens shall be provided where all of the following requirements are satisfied:

(a) Age. (i) At least one of the owners who resides primarily on the property must be sixty-five years of age or older as of the date specified herein. For the two thousand--two thousand one school year, eligibility for the exemption shall be based upon age as of December thirty-first, two thousand. For each subsequent school year, the applicable date shall be advanced by one year.

(ii) In the case of property owned by a married couple, if only one of the spouses is sixty-five years of age or over, the exemption, once granted, shall not be rescinded solely because of the death of the older spouse so long as the surviving spouse is at least sixty-two years of age as of the date specified in this paragraph.

(b) Income. (i) The combined income of all of the owners who primarily reside on the property, and of any owners' spouses primarily residing on the property, may not exceed the applicable income standard specified herein.

(A) For final assessment rolls to be completed prior to two thousand three, eligibility for the exemption shall be based upon income for the income tax year immediately preceding the date of making application for the exemption, and the income standard shall be sixty thousand dollars.

(B) For final assessment rolls to be completed in two thousand three, eligibility for the exemption shall be based upon income for the income tax year ending in two thousand one, and the income standard shall be the previously-applicable income standard of sixty thousand dollars increased by the cost-of-living-adjustment percentage for two thousand one. For purposes of this computation, the cost-of-living-adjustment percentage for two thousand one shall be equal to the "applicable increase percentage" used by the United States commissioner of social security to determine monthly social security benefits payable in two thousand one to individuals, as provided by subsection (i) of section four hundred fifteen of title forty-two of the United States code.

(C) For final assessment rolls to be completed in each ensuing year, the applicable income tax year, cost-of-living-adjustment percentage and applicable increase percentage shall all be advanced by one year, and the income standard shall be the previously-applicable income standard increased by the new cost-of-living-adjustment percentage. If there should be a year for which there is no applicable increase percentage due to a general benefit increase as defined by subdivision three of subsection (i) of section four hundred fifteen of title forty-two of the United States code, the applicable increase percentage for purposes of this computation shall be deemed to be the percentage which would have yielded that general benefit increase.

(C-1) Notwithstanding the provisions of clause (C) of this subparagraph, in the event that a senior citizen, as a result of the death of his or her spouse, experiences a decrease in income such that he or she would qualify for the enhanced exemption if his or her eligibility were based upon his or her income for the income tax year immediately subsequent to the income tax year that would otherwise be applicable pursuant to clause (C) of this subparagraph, then the eligibility of such senior citizen for the enhanced exemption on the applicable taxable status date shall be determined based upon his or her income for such later income tax year; provided that the income tax return for such year has been filed with the appropriate state or federal agency and a copy thereof has been filed with the assessor on or before the applicable taxable status date, or other documentation of income eligibility has been filed with the assessor on or before the applicable taxable status date.

(D) In no case shall an income standard be decreased from one assessment roll to the next.

(E) If the income standard initially computed for an assessment roll is not exactly equal to a multiple of fifty dollars, it shall be rounded up to the next higher multiple of fifty dollars.

(F) It shall be the responsibility of the commissioner to annually determine all income standards pursuant to this subdivision beginning with final assessment rolls to be completed in two thousand three, to cause notice thereof to be published in the state register, to disseminate notice thereof to assessors, county directors of real property tax services, and such other parties as it may deem

appropriate, and to post notice thereof on its website.

(ii) The term "income" as used herein shall mean the "adjusted gross income" for federal income tax purposes as reported on the applicant's federal or state income tax return for the applicable income tax year, subject to any subsequent amendments or revisions, reduced by distributions, to the extent included in federal adjusted gross income, received from an individual retirement account and an individual retirement annuity; provided that if no such return was filed for the applicable income tax year, "income" shall mean the amount that would have been so reported if such a return had been filed. Provided further, that:

(A) Effective with exemption applications for final assessment rolls to be completed in two thousand nineteen, where an income-eligibility determination is wholly or partly based upon the income of one or more individuals who did not file a return for the applicable income tax year, then in order for the application to be considered complete, each such individual must file a statement with the department showing the source or sources of such individual's income for that income tax year, and the amount or amounts thereof, that would have been reported on such a return if one had been filed. Such statement shall be filed at such time, and in such form and manner, as may be prescribed by the department, and shall be subject to the secrecy provisions of the tax law to the same extent that a personal income tax return would be. The department shall make such forms and instructions available for the filing of such statements. The local assessor shall upon the request of a taxpayer assist such taxpayer in the filing of the statement with the department.

(B) Notwithstanding the foregoing provisions of this subparagraph, where property is owned solely by a person or persons who received the exemption for three consecutive years without having filed returns for the applicable income tax years, but who demonstrated their eligibility for the exemption to the commissioner's satisfaction by filing statements pursuant to clause (A) of this subparagraph, such person or persons shall be presumed to satisfy the applicable income-eligibility requirements each year thereafter and shall not be required to continue to file such statements in the absence of a specific request therefor from the commissioner. Nothing contained herein shall be construed to

prevent the commissioner from denying an exemption pursuant to this section when the commissioner determines that a property owner has a source of income that renders that owner ineligible for that exemption.

(iii) Any information or documentation submitted by the applicant in connection with applications for or renewal of the exemption authorized under this section to verify income, shall be deemed confidential, and the assessor, any municipal officer or municipal employees are prohibited from disclosing any such information, except for any disclosure necessary in the performance of their official duties, and except as authorized by subparagraph (v) of this paragraph. Any unauthorized disclosure of such information shall be deemed a violation of section eight hundred five-a of the general municipal law.

(iv) (A) Effective with applications for the enhanced exemption on final assessment rolls to be completed in two thousand nineteen, the application form shall indicate that all owners of the property and any owners' spouses residing on the premises must have their income eligibility verified annually by the department and must furnish their taxpayer identification numbers in order to facilitate matching with records of the department. The income eligibility of such persons shall be verified annually by the department, and the assessor shall not request income documentation from them. All applicants for the enhanced exemption and all assessing units shall be required to participate in this program, which shall be known as the STAR income verification program. The commissioner may, in his or her discretion, extend the enrollment period of the STAR income verification program for property owners whose property received the enhanced exemption on the final assessment roll completed in two thousand eighteen but who failed to enroll in sufficient time to have the exemption continued on the final assessment roll completed in two thousand nineteen. Where appropriate, the commissioner is further authorized to remit directly to such a property owner a payment in an amount equal to the difference between the school tax bill that the property owner actually received and the school tax bill that the property owner would have received had he or she enrolled in a timely manner.

(B) Effective with final assessment rolls to be completed in two thousand twenty, the commissioner shall also annually verify the eligibility of such persons for the enhanced exemption on the basis of

age and residency as well as income.

(C) When the commissioner determines that property is ineligible for a STAR exemption, notice of such determination and an opportunity for review thereof shall be provided in the manner set forth in subdivision four-b of this section.

(c) Absence from residence. An exemption may be granted pursuant to this subdivision notwithstanding the fact that an owner is absent from the residence while receiving health-related care as an inpatient of a residential health care facility, as defined in section twenty-eight hundred one of the public health law, provided that during such confinement such property is not occupied by anyone other than the spouse or co-owner of such owner.

4-a. Special situations. (a) Married couples with two or more residences. A husband and wife may receive an exemption pursuant to this section on no more than one residence, unless living apart due to legal separation.

(b) Parcels with two or more separate residences thereon. When a parcel includes two or more physically separate residences, an exemption may be granted pursuant to this section to each residence which (i) serves as the primary residence of at least one of the owners of the parcel, and (ii) would be eligible for an exemption pursuant to this section if it were separately assessed and owned exclusively by the owner or owners who reside therein, provided that only one such exemption may be applied to the land included within the parcel.

(c) Residences split by municipal boundaries. When an applicant's primary residence is located in two or more municipal corporations, each portion of the residence shall be eligible for the exemption provided by this section if the eligibility requirements are otherwise satisfied, provided that the exemption shall be pro-rated in the same manner as the full value of the property was apportioned to each municipal corporation by the respective assessors, so that the total tax savings resulting from the exemption does not exceed the tax savings that would be received if the residence were contained entirely within one municipal corporation. The provisions of this paragraph shall not apply when the land associated with a residential structure is located in more than one municipal corporation, but the residential structure itself is located

entirely within one of those municipal corporations.

4-b. Authority of the commissioner in relation to eligibility determinations. (a) (i) Notwithstanding any provision of this section to the contrary, it shall be the responsibility of the commissioner to determine eligibility for the basic and enhanced STAR exemptions authorized by this section, in consultation with local assessors as necessary.

(ii) The commissioner's eligibility determinations shall be based upon data the commissioner has obtained from local assessment rolls, personal income tax returns, the STAR registration program, the STAR income verification program and such other data sources as may be available to the commissioner.

(iii) The process followed by the commissioner to verify eligibility for the basic and enhanced STAR exemptions shall be the same, except to the extent that differences are required by law.

(b) If the commissioner should determine that a parcel that has a basic STAR exemption is eligible for an enhanced STAR exemption, the commissioner shall so notify the assessor. The assessor shall thereupon grant the parcel an enhanced STAR exemption without requesting a new application from the owner.

(c) If the commissioner determines that property is not eligible for a STAR exemption it has been receiving, the provisions of this subdivision shall be applicable.

(i) The commissioner shall provide the property owners with notice and an opportunity to show the commissioner that the property is eligible to receive the exemption. If the owners fail to respond to such notice within forty-five days from the mailing thereof, or if their response does not show to the commissioner's satisfaction that the property is eligible for the exemption, the commissioner shall direct the assessor or other person having custody or control of the assessment roll or tax roll to remove or deny the exemption, and to correct the roll accordingly. Such a directive shall be binding upon the assessor or other person having custody or control of the assessment roll or tax roll, and shall be implemented by such person without the need for further documentation or approval.

(ii) Neither an assessor nor a board of assessment review has the

authority to consider an objection to the removal or denial of an exemption pursuant to this subdivision, nor may such an action be reviewed in a proceeding to review an assessment pursuant to title one or one-A of article seven of this chapter. Such an action may only be challenged before the department of taxation and finance. If a taxpayer is dissatisfied with the department's final determination, the taxpayer may appeal that determination to the state board of real property tax services in a form and manner to be prescribed by the commissioner. Such appeal shall be filed within forty-five days from the issuance of the department's final determination. If dissatisfied with the state board of real property tax services' determination, the taxpayer may seek judicial review thereof pursuant to article seventy-eight of the civil practice law and rules. The taxpayer shall otherwise have no right to challenge such final determination in a court action, administrative proceeding or any other form of legal recourse against the commissioner, the department of taxation and finance, the state board of real property tax services, the assessor or other person having custody or control of the assessment roll or tax roll regarding such action.

5. Notice requirement. (a) Generally. Every school district shall notify, or cause to be notified, each person owning residential real property in the school district of the provisions of this section. The provisions of this subdivision may be met by a notice sent to such persons in substantially the following form: "Residential real property may qualify for a partial exemption from school district taxes under the New York state school tax relief (STAR) program. To receive such exemption, owners of qualifying property must file an application with their local assessor on or before the applicable taxable status date. For further information, please contact your local assessor."

(d) Third party notice. (i) A senior citizen eligible for the enhanced exemption may request that a notice be sent to an adult third party. Such request shall be made on a form prescribed by the commissioner and shall be submitted to the assessor of the assessing unit in which the eligible taxpayer resides no later than sixty days before the first taxable status date to which it is to apply. Such form shall provide a section whereby the designated third party shall consent to such designation. Such request shall be effective upon receipt by the

assessor. The assessor shall maintain a list of all eligible property owners who have requested notices pursuant to this paragraph and shall furnish a copy of such list to the department upon request.

(ii) A notice shall be sent to the designated third party whenever the assessor or department sends a notice to the senior citizen regarding the possible removal of the enhanced STAR exemption. When the exemption is subject to removal because the commissioner has determined that the income eligibility requirement is not satisfied, such notice shall be sent to the third party by the department. When the exemption is subject to removal because the assessor has determined that any other eligibility requirement is not satisfied, such notice shall be sent to the third party by the assessor. Such notice shall read substantially as follows:

"On behalf of (identify senior citizen or citizens), you are advised that his, her, or their enhanced STAR exemption is at risk of being removed. You are encouraged to make sure that he, she or they are aware of that fact, and to offer assistance if needed, although you are under no legal obligation to do so. Your cooperation and assistance are greatly appreciated."

(iii) The obligation to mail such notices shall cease if the eligible taxpayer cancels the request or ceases to qualify for the enhanced STAR exemption.

(e) Notice not mailed or received. Failure to mail any notice required by this subdivision, or the failure of a party to receive same, shall not affect the validity of the levy, collection, or enforcement of taxes on property owned by such person, or in the case of a third party notice, on property owned by the senior citizen.

6. Application procedure. (a) Generally. All owners of the property who primarily reside thereon and who are not subject to the provisions of subdivision sixteen of this section must jointly file an application for exemption with the assessor on or before the appropriate taxable status date. Such application may be filed by mail if it is enclosed in a postpaid envelope properly addressed to the appropriate assessor, deposited in a post office or official depository under the exclusive care of the United States postal service, and postmarked by the United States postal service on or before the applicable taxable status date.

Each such application shall be made on a form prescribed by the commissioner, which shall require the applicant or applicants to agree to notify the assessor if their primary residence changes while their property is receiving the exemption. The assessor may request that proof of residency be submitted with the application. If the applicant requests a receipt from the assessor as proof of submission of the application, the assessor shall provide such receipt. If such request is made by other than personal request, the applicant shall provide the assessor with a self-addressed postpaid envelope in which to mail the receipt.

(a-1) Final date for exemption application in the city of New York. Notwithstanding the provisions of this section or any other provision of law, in the city of New York, applications for the exemption authorized pursuant to this section shall be considered timely filed if they are filed on or before the fifteenth day of March of the appropriate year and in such city all references in this section to taxable status date shall be deemed to refer to the fifteenth day of March of the appropriate year.

(a-2) Notwithstanding any provision of law to the contrary, when a property owner of a property with a basic STAR exemption believes they have become eligible for the enhanced STAR exemption but their basic STAR exemption has not been changed to an enhanced STAR exemption pursuant to the provisions of paragraph (b) of subdivision four-b of this section, the owner may, no later than the last day for paying school taxes without incurring interest or penalty, submit a request to the commissioner asking the commissioner to grant the exemption. Such request shall be in a form prescribed by the commissioner and shall contain an explanation of why the property owner believes they have become eligible for the enhanced STAR exemption. After consulting with the assessor, the commissioner may grant the exemption if the commissioner is satisfied that the applicant is entitled to the exemption. The commissioner shall mail notice of such determination to such owner and the assessor. If the determination states that the commissioner has granted the exemption, the assessor shall thereupon be authorized and directed to correct the assessment roll accordingly, or, if another person has custody or control of the assessment roll, to direct that person to make the appropriate corrections. Provided,

however, that if the assessment roll cannot be corrected in time for the exemption to appear on the applicant's school tax bill, the commissioner shall be authorized to remit directly to the applicant the tax savings that the STAR exemption would have yielded if it had appeared on the applicant's tax bill. The amounts so payable shall be paid from the account established for the payment of STAR benefits to late registrants pursuant to subparagraph (iii) of paragraph (a) of subdivision fourteen of this section.

(b) Approval or denial of application. If the assessor is satisfied that the applicant or applicants are entitled to an exemption pursuant to this section, he or she shall approve the application and such real property shall thereafter be exempt from school district taxation as provided herein. If the assessor determines that the applicant or applicants are not entitled to an exemption pursuant to this section, he or she shall, not later than ten days prior to the date for hearing complaints in relation to assessments, mail to each applicant not entitled to the exemption a notice of denial of that application for the exemption herein for that year; except that in the city of New York, such notice shall be mailed not later than thirty days prior to the final date for filing an assessment appeal as set forth in paragraph (b-1) of this subdivision. The notice of denial shall specify each reason for such denial and shall be sent on a form prescribed by the commissioner. Failure to mail any such notice of denial or the failure of any person to receive such notice shall not prevent the levy, collection and enforcement of the taxes on property owned by such person.

(b-1) Final date for filing assessment appeal in the city of New York. Notwithstanding any other provision of law, in the city of New York, the final date for filing an assessment appeal with respect to the denial of applications pursuant to this section only shall be the thirty-first day of May of the appropriate year. With respect to assessment appeals filed pursuant to this paragraph after the final date for filing an assessment appeal as set forth in chapter seven of the New York city charter, the only issues that will be determined by the tax commission are those that relate to the denial of an application for exemption pursuant to this section.

(d) Prior year assessment rolls. (i) Where school district taxes are

levied upon prior year assessment rolls, the assessing unit may adopt a local law allowing STAR applications for each school year to be submitted on or before the taxable status date of the current year's assessment roll. Such local law shall apply to assessment rolls based upon taxable status dates occurring on or after the effective date of such local law and shall remain applicable thereafter unless and until it should be repealed or rescinded.

(ii) When such a local law is in effect the eligibility of property for a STAR exemption for a school year shall be based upon the condition of the property as of the taxable status date of the prior year's assessment roll, and the ownership of the property as of the taxable status date of the current year's assessment roll. When a STAR application is approved, the prior year's assessment roll shall be revised accordingly. When a STAR application is denied, the applicant may seek administrative and judicial review of the denial, subject to the same timing constraints that apply to persons seeking review of assessments appearing on the current year's assessment roll.

(iii) For purposes of this paragraph, the term "current year's assessment roll" means the final assessment roll which is required by law to be completed in the calendar year that contains the first day of the school year in question, and the term "prior year's assessment roll" means the final assessment roll which was required by law to be completed in the calendar year immediately preceding the calendar year that contains the first day of the school year in question.

(e) Except in the city of New York, notwithstanding the provisions of paragraph (a) of this subdivision, an application for such exemption may be filed with the assessor after the appropriate taxable status date but not later than the last date on which a petition with respect to complaints of assessment may be filed, where failure to file a timely application resulted from: (i) a death of the applicant's spouse, child, parent, brother or sister; or (ii) an illness of the applicant or of the applicant's spouse, child, parent, brother or sister, which actually prevents the applicant from filing on a timely basis, as certified by a licensed physician. The assessor shall approve or deny such application as if it had been filed on or before the taxable status date.

7. Entry on assessment roll. (a) 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.

(b) The exemption provided by this section shall be applied after all other exemptions allowed by law have been subtracted from the total assessed value of the parcel, notwithstanding the provisions of any law to the contrary.

(c) In no event shall the exemption authorized by this section exceed the total assessed value of the parcel less all other exemptions allowed by law.

(d) Where a person is the owner of a present interest in a parcel under a life estate, or is a vendee in possession under an installment contract of sale, or is a beneficial owner under a trust, or resides primarily in a dwelling which is owned by a corporation or partnership but is nonetheless eligible for exemption pursuant to paragraph (d) or (e) of subdivision three of this section, and that person has applied for and been granted an exemption pursuant to this section, that person shall be deemed to be the owner of the parcel for purposes of this section and section five hundred two of this chapter. Provided that duplicate tax statements shall be sent upon request to the remainderman, vendor, trustee, or corporation or partnership that owns the dwelling, whichever is applicable; provided further that the provisions of section nine hundred twenty-three of this chapter regarding the issuance of duplicate tax statements in certain cases shall apply to such requests so far as practicable. Nothing contained in this subdivision shall be construed as affecting in any way the validity or enforceability of a real property tax, or the applicability of interest or penalties with respect thereto, when an owner's name has not been accurately recorded or when a duplicate tax statement is not sent or received.

8. Effect of exemption. The exemption authorized by this section shall have the effect specified in section one thousand three hundred six-a of this chapter. The exemption shall not be considered when determining state aid to education pursuant to section thirty-six hundred two of the education law, when determining school district debt limits pursuant to law, when determining the amount of taxes to be levied by or on behalf of a school district, when calculating tax rates for a school district,

when apportioning taxes between or among school districts, when apportioning taxes among classes in a special assessing unit under article eighteen of this chapter, or when apportioning taxes between classes in an approved assessing unit under article nineteen of this chapter.

9-a. Duration of exemption; basic exemption. The basic exemption, once granted, shall remain in effect until discontinued in the manner provided in this section.

9-b. Duration of exemption; enhanced exemption. (a) The enhanced exemption, once granted, shall remain in effect until discontinued in the manner provided in this section.

(b) The assessor shall review the continued compliance of recipients of the enhanced exemption with the applicable ownership and residency requirements to the same extent as if they were receiving a basic STAR exemption.

10. Proof of residency. (a) Requests. From time to time, the assessor may request proof of residency from the owner or owners of any property which is exempt pursuant to this section. In addition, the assessor shall request proof of residency from any such owner or owners when requested to do so by the commissioner.

(b) Timing. A request for proof of residency shall be mailed at least sixty days prior to the ensuing taxable status date. The owner or owners shall submit proof of their residency to the assessor on or before the ensuing taxable status date.

(c) Review of submission. The burden shall be on the owner or owners to establish that the property is their primary residence. If they submit proof of residency on or before the ensuing taxable status date, and the submission demonstrates to the assessor's satisfaction that the property is the primary residence of one or more of the owners thereof, and if the requirements of this section are otherwise satisfied, the exemption shall continue in effect on the ensuing tentative assessment roll. Otherwise, the assessor shall discontinue the exemption on the next ensuing tentative assessment roll as provided herein, and, where appropriate, shall proceed as further provided herein.

11. Discontinuance of exemption. (a) Generally. The assessor shall discontinue any exemption granted pursuant to this section if it appears that: (i) the property may not be the primary residence of the owner or owners who applied for the exemption, (ii) title to the property has been transferred to a new owner or owners, or (iii) the property otherwise may no longer be eligible for the exemption.

(b) Rights of owners. Upon determining that an exemption granted pursuant to this section should be discontinued, the assessor shall mail a notice so stating to the owner or owners thereof at the time and in the manner provided by section five hundred ten of this chapter. Such owner or owners shall be entitled to seek administrative and judicial review of such action in the manner provided by law, provided, that the burden shall be on such owner or owners to establish eligibility for the exemption.

(c) Transfers of title. When the assessor has received a report pursuant to section five hundred seventy-four of this chapter of a transfer of title to real property which is exempt pursuant to this section, the assessor shall discontinue the exemption as required by subdivision sixteen of this section. The assessor shall not implement the provisions of section five hundred twenty of this chapter upon such a transfer, except to the extent that the property may also be receiving one or more other exemptions.

(d) Notice not mailed or received. The failure to mail any such notice or application, or the failure of the owner or owners to receive the same, shall not prevent the levy, collection and enforcement of the payment of the taxes on such real property.

12. Revocation of prior exemptions. (a) Generally. In addition to discontinuing the exemption on the next ensuing tentative assessment roll, if the assessor determines that the property improperly received the exemption on one or more of the six preceding assessment rolls, provided that final assessment rolls that were filed prior to April first, two thousand ten shall not be subject to the provisions of this subdivision, or is advised by the department that the applicable income standard was not satisfied with regard to a property which received the enhanced exemption on one or more of those rolls, he or she shall

proceed to revoke the improperly granted prior exemption or exemptions. If the assessor is advised that the department was unable to verify the income eligibility of one or more participants in the income verification program, the assessor shall mail that person or those persons a notice in a form prescribed by the department requesting that the person or persons document their income in the same manner and to the same extent as if the person or persons were submitting an initial application for the enhanced STAR exemption. If such income documentation is not provided within forty-five days of such request, or if the documentation provided does not establish the eligibility of the person or persons to the assessor's satisfaction, the assessor shall treat the exemption as an improperly granted exemption and proceed in the manner provided by this subdivision.

(b) Procedure. The assessed value attributable to each such improperly granted exemption shall be entered separately on the next ensuing tentative or final assessment roll. The provisions of section five hundred fifty-one or five hundred fifty-three of this chapter, relating to the entry by the assessor of omitted real property on a tentative or final assessment roll, shall apply so far as practicable to the revocation procedure in this subdivision, except that:

(i) the tax rate to be applied to any revoked exemption shall be the tax rate that was applied to the corresponding assessment roll,

(ii) interest shall then be added to each such product at the rate prescribed by section nine hundred twenty-four-a of this chapter or such other law as may be applicable for each month or portion thereon since the levy of taxes upon the assessment roll or rolls upon which the exemption was granted, and

(iii) for improperly granted STAR exemptions occurring on assessment rolls filed on and after April first, two thousand thirteen, a processing fee of five hundred dollars shall be added. Such processing fee imposed pursuant to this subdivision shall be retained by the assessing unit and the state shall be entitled to no part thereof.

(c) Rights of owners. Each owner or owners shall be given notice of the possible revocation under this subdivision of their exemption or exemptions at the time and in the manner provided by section five hundred ten or five hundred fifty-three of this chapter, and shall be entitled to seek administrative and judicial review of such action in

the manner provided by law.

(d) Applicability. The provisions of this subdivision shall not be applicable to the extent that the prior exemptions shall have been renounced pursuant to section four hundred ninety-six of this article.

(e) Records retention. Nothing in this section shall be construed to impose upon an assessor a duty to retain records for a period longer than the period prescribed pursuant to the arts and cultural affairs law, or to require an assessor to conduct a review of a taxpayer's eligibility when the assessor has disposed of the relevant records in accordance with such law.

13. Penalty for material misstatements. (a) Generally. If the assessor should determine that there was a material misstatement on an application for exemption pursuant to this section that was filed on or after October first, two thousand ten, he or she shall proceed to impose a penalty tax against the property. If the application was filed prior to October first, two thousand thirteen, the penalty tax shall be one hundred dollars, provided that the assessor's determination must be made within three years of the filing of the application. If the application was filed on or after October first, two thousand thirteen, the penalty tax shall be either one hundred dollars or twenty percent of the improperly received tax savings, whichever is greater not to exceed two thousand five hundred dollars, provided further that the assessor's determination must be made within six years of the filing of the application. An application shall be deemed to contain a material misstatement for this purpose when either:

(i) the applicant or applicants claimed that the property was their primary residence, when it was not; or

(ii) the applicant or applicants claimed that they had relinquished the STAR exemption on their former primary residence, when they knew they had not; or

(iii) in the case of an application for the enhanced exemption for property owned by senior citizens, the applicant or applicants misrepresented their age or income so as to appear eligible for such exemption, when they were not.

(b) Procedure. When the assessor determines that a penalty tax should be imposed, the penalty tax shall be entered on the next ensuing

tentative or final assessment roll. The procedures set forth in section five hundred fifty-one or five hundred fifty-three of this chapter, relating to the entry by the assessor of omitted real property on a tentative or final assessment roll, shall apply so far as practicable when imposing a penalty tax pursuant to this subdivision. Each owner or owners shall be given notice of the possible imposition of a penalty tax at the time and in the manner provided by section five hundred ten or five hundred fifty-three of this chapter, and shall be entitled to seek administrative and judicial review of such action in the manner provided by law. Any penalty tax imposed pursuant to this subdivision shall be retained by the assessing unit and the state shall be entitled to no part thereof.

(c) Additional consequences. A penalty tax may be imposed pursuant to this subdivision whether or not the improper exemption has been revoked in the manner provided by this section. In addition, a person or persons who are found to have made a material misstatement shall be disqualified from further exemption pursuant to this section, and if such misstatement appears on an application filed on or after April first, two thousand nineteen, from the credit authorized by subsection (eee) of section six hundred six of the tax law, for a period of six years. In addition, such person or persons may be subject to prosecution pursuant to the penal law.

(d) Applicability. The provisions of this subdivision shall not be applicable to the extent that the prior exemptions shall have been renounced pursuant to section four hundred ninety-six of this article.

(e) Records retention. Nothing in this section shall be construed to impose upon an assessor a duty to retain records for a period longer than the period prescribed pursuant to the arts and cultural affairs law, or to require an assessor to conduct a review of a taxpayer's eligibility when the assessor has disposed of the relevant records in accordance with such law.

(f) Assessor notification. The assessor shall inform the commissioner whenever a person or persons is found to have made a material misstatement on an application for the exemption authorized by this section.

14. STAR registration program. (a) The commissioner shall establish

and implement a program under which all owners of properties initially applying for and those receiving a basic STAR exemption shall be required to be registered with the commissioner in the manner, at such intervals, and by the date or dates prescribed by the commissioner, provided that:

(i) Owners of properties that are receiving the basic STAR exemption during the two thousand twelve--two thousand thirteen school year shall be required to initially register with the commissioner no later than April first, two thousand fourteen;

(ii) The commissioner shall provide written notice of the registration requirement to such owners at least sixty days before the registration deadline established pursuant to subparagraph (i) of this paragraph;

(iii) An owner who fails to register by the registration deadline so established shall be permitted to file a petition with the commissioner requesting that the commissioner excuse such failure and accept a late registration, provided that such petition shall explain why such failure occurred and shall be filed no later than one year after such deadline, and provided further that if the commissioner accepts a late registration after having directed the removal of the Basic STAR exemption from the property to which the registration pertains, then in lieu of directing the exemption to be restored, the commissioner is authorized in his or her discretion to remit directly to the property owner or owners the tax savings that the exemption would have yielded had it not been removed, and to further direct the assessor to restore the exemption on a prospective basis without a new application unless the assessor has reason to believe that the property owner is no longer eligible for reasons other than a failure to register;

(iv) After the initial registration program has been implemented, the commissioner shall endeavor to confirm the continuing eligibility of STAR recipients through means other than re-registration, such as by reviewing the relevant data appearing on personal income tax returns. The commissioner may reinstate the registration requirement, provided that in no event may the commissioner require registered STAR recipients to re-register more than once in a three-year period if their primary addresses have not changed.

(b) Notwithstanding any provision of law to the contrary, the commissioner shall direct the removal or denial of a STAR exemption if

he or she finds that one or more of the following conditions exist:

(i) all owners of the property have not been registered by the prescribed date and no acceptable justification has been presented for such failure;

(ii) the owners of the property are improperly receiving multiple STAR exemptions;

(iii) the property does not serve as the primary residence of any of its owners;

(iv) the applicable income limitation has been exceeded; or

(v) the property is otherwise ineligible for the STAR exemption.

(c) When the commissioner determines that a property is ineligible for a STAR exemption, notice of such determination and an opportunity for review thereof shall be provided in the manner set forth in subdivision four-b of this section.

(e) The commissioner shall be entitled to utilize information from any filings of a taxpayer with the department of taxation and finance in conjunction with the STAR registration program.

14-a. Implementation of certain eligibility determinations. When a taxpayer's eligibility for exemption under this section for a school year is affected by a determination made in accordance with subparagraph (iv) of paragraph (b) of subdivision four of this section or paragraph (c) or (d) of subdivision fourteen of this section, and the determination is made after the school district taxes for that school year have been levied, the provisions of this subdivision shall be applicable.

(a) If the determination restores or increases the taxpayer's exemption for that school year, the commissioner is authorized to remit the excess directly to the property owner upon receiving confirmation that the taxpayer's original school tax bill has been paid in full. The amounts payable by the commissioner under this paragraph shall be paid from the account established for the payment of STAR benefits to late registrants pursuant to subparagraph (iii) of paragraph (a) of subdivision fourteen of this section. When the commissioner implements the determination in this manner, he or she shall so notify the assessor and county director of real property tax services, but no correction shall be made to the assessment roll or tax roll for that school year,

and no refund shall be issued by the school authorities to the property owner or his or her agent for the excessive amount of school taxes paid for that school year.

(b) If the determination removes, denies or decreases the taxpayer's exemption for that school year, the commissioner is authorized to collect the shortfall directly from the owners of the property, together with interest, by utilizing any of the procedures for collection, levy, and lien of personal income tax set forth in article twenty-two of the tax law, and any other relevant procedures referenced within the provisions of such article. When the commissioner implements the determination in this manner, he or she shall so notify the assessor and county director of real property tax services, but no correction shall be made to the assessment roll or tax roll for that school year, and no corrected school tax bill shall be sent to the taxpayer for that school year.

15. Recoupment of exemptions by commissioner. (a) Generally. If the commissioner should determine, based upon data collected under the STAR registration program, that property improperly received the basic STAR exemption in the current school year or one or more of the three preceding school years, the commissioner shall treat the exemption as an improperly granted exemption and proceed in the manner provided by this subdivision; provided that final assessment rolls that were filed prior to April first, two thousand eleven shall not be subject to the provisions of this subdivision.

(b) Procedure. The tax savings attributable to each such improperly granted exemption shall be collected from the owners whose property improperly received the exemption for the applicable year, together with interest as specified in this subdivision, by utilizing any of the procedures for collection, levy, and lien of personal income tax set forth in article twenty-two of the tax law, any other relevant procedures referenced within the provisions of that article, and any other law as may be applicable, so far as practicable when recouping the exemption amount pursuant to this subdivision, except that:

(i) in order for the recoupment procedure to be considered timely, the notice required by subparagraph (ii) of this paragraph must be mailed no later than three years after the conclusion of the school year for which

the exemption in question was granted, or in the case of an exemption that was granted for the two thousand twelve--two thousand thirteen school year, no later than September thirtieth, two thousand sixteen;

(ii) When the commissioner determines that a property is ineligible for a STAR exemption, notice of such determination and an opportunity for review thereof shall be provided in the manner set forth in subdivision four-b of this section.

(c) The amount to be recouped for each improperly received exemption shall have interest added at the rate prescribed by section nine hundred twenty-four-a of this chapter or such other law as may be applicable for each month or portion thereof since the levy of school taxes upon such assessment roll.

(d) In the event that a revocation of prior exemption pursuant to subdivision twelve of this section or a voluntary renunciation of the STAR exemption pursuant to section four hundred ninety-six of this article has occurred, the provisions of this subdivision shall not be applicable to the exemptions so revoked or voluntarily renounced.

15-a. Direct payments. Notwithstanding any provision of law to the contrary, when the commissioner finds that a property owner was eligible for the STAR exemption authorized by this section on an assessment roll, but the exemption was not taken into account in the calculation of the property owner's school tax bill due to an administrative error, and the property owner or his or her agent paid an excessive amount of school taxes on the property as a result, the commissioner is authorized to remit directly to the property owner the tax savings that the STAR exemption would have yielded if the STAR exemption had been taken into account in the calculation of that taxpayer's school tax bill. The amounts payable under this section shall be paid from the account established for the payment of STAR benefits to late registrants pursuant to subparagraph (iii) of paragraph (a) of subdivision fourteen of this section. Where such a payment has been made, neither the property owner nor his or her agent shall be entitled to a refund of the excessive amount of school taxes paid on account of the administrative error.

16. Transition to personal income tax credit. (a) Beginning with

assessment rolls used to levy school district taxes for the two thousand sixteen--two thousand seventeen school year, no application for an exemption under this section may be approved unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the two thousand fifteen--two thousand sixteen school year and the property was granted an exemption pursuant to this section on that assessment roll. In the event that an application is submitted to the assessor that cannot be approved due to this restriction, the assessor shall notify the applicant that he or she is required by law to deny the application, but that, in lieu of a STAR exemption, the applicant may claim the personal income tax credit authorized by subsection (eee) of section six hundred six of the tax law if eligible, and that the applicant may contact the department of taxation and finance for further information. The commissioner shall provide a form for assessors to use, at their option, when making this notification. No STAR exemption may be granted on the basis of an application that is not approvable due to this restriction.

(b) Where property received an exemption pursuant to this section on an assessment roll used to levy school district taxes for the two thousand fifteen--two thousand sixteen school year, and at least one of its owners held title to the property on the taxable status date of such assessment roll, the exemption shall continue to be granted on subsequent assessment rolls without regard to the provisions of this subdivision as long as all applicable requirements of this section are satisfied. In addition, such exemption shall be subject to modification as follows:

(i) A basic STAR exemption shall be changed to an enhanced STAR exemption if the owners and spouses primarily residing on the property file a timely application showing that their ages and incomes meet the requirements of subdivision four of this section.

(ii) An enhanced STAR exemption shall be changed to a basic STAR exemption if the combined income of the owners and spouses primarily residing on the property increases above the limit set by subdivision four of this section, subject to the provisions of subparagraph (iii) of this paragraph, provided that if their combined income falls below the limit set by subdivision four of this section in the future, their

enhanced STAR exemption may be resumed upon timely application.

(iii) A STAR exemption shall be discontinued if the combined income of the owners and spouses primarily residing on the property increases above the limit set by subdivision three of this section, provided that if their income falls below such limit in the future, their STAR exemption may be resumed upon timely application.

(iv) A STAR exemption shall be permanently discontinued if the owners fail to satisfy the applicable residency or ownership requirement, or both.

(c) If the owners of a parcel that is receiving the STAR exemption authorized by this section want to claim the personal income tax credit authorized by subsection (eee) of section six hundred six of the tax law in lieu of such exemption, they may do so by switching to the credit in the manner provided by subdivision seventeen of this section. Alternatively, they may renounce that exemption and make any required payments in the manner provided by section four hundred ninety-six of this chapter. Any such switch to the credit or renunciation shall be irrevocable.

(d) Notwithstanding the foregoing provisions of this subdivision, where a property served as the primary residence of a married couple on the taxable status date of the assessment roll that was used to levy school district taxes for the two thousand fifteen--two thousand sixteen school year, but only one of the spouses held title to the property on that taxable status date, and that spouse has since died and his or her interest in the property has been inherited by his or her surviving spouse, the surviving spouse shall be entitled to apply for and receive an exemption under this section to the same extent as if he or she had held title to the property on that taxable status date.

(e) The provisions of this subdivision shall apply to all applications for STAR exemptions beginning with assessment rolls used to levy school district taxes for the two thousand sixteen--two thousand seventeen school year, including those submitted prior to the effective date of this subdivision. If any application was approved prior to the effective date of this subdivision that is not approvable hereunder, such approval shall be deemed void, and the assessor shall provide the applicant with the notice required by paragraph (a) of this subdivision, provided that if a STAR exemption is granted on a tentative or final assessment roll

or tax roll on the basis of an application that is not approvable hereunder, the assessor, or other local official or officials having custody and control of such roll, is hereby authorized and directed to remove such exemption from such roll without regard to the provisions of title three of article five of this chapter or any comparable laws governing the correction of administrative errors on assessment rolls and tax rolls, notwithstanding any provision of law to the contrary. If an application was submitted prior to the effective date of this subdivision but is not approvable hereunder, the applicant may apply for advance payment of the personal income tax credit authorized by subsection (eee) of section six hundred six of the tax law for the two thousand sixteen taxable year, if eligible, in the manner provided by paragraph ten of such subsection, even if the property was acquired prior to January first of the taxable year.

17. Switching to the STAR credit. (a) The commissioner shall develop procedures to enable property owners to switch from the STAR exemption to the STAR credit in as simple and expeditious a manner as practicable.

(b) Such procedures may allow STAR exemption recipients to switch to the STAR credit in the course of applying for the STAR credit. When an applicant does so, the commissioner shall advise the appropriate assessor as soon as practicable that such individual is switching or has switched to the STAR credit, that no further STAR exemptions may be granted to the property in question after the switch takes effect, and if appropriate, that the property's STAR exemption should be removed from the most recently filed assessment roll and/or the forthcoming assessment roll. The assessor or other party having custody and control of the assessment roll shall thereupon be authorized and directed to proceed accordingly.

(c) Such procedures may also set forth instances under which the commissioner may direct such a switch to the STAR credit to be deferred for one year, with the resulting differential, if any, to be added to the applicant's initial STAR credit. As used in this subdivision, the term "resulting differential" means the amount by which the STAR credit that the applicant did not receive due to the deferral of the switch exceeds the STAR exemption tax savings that the applicant did receive due to the deferral of the switch. The commissioner is specifically

authorized to direct a switch to the STAR credit to be so deferred under the following circumstances:

(i) A STAR credit switch may be deferred if the application for the credit is submitted after a cutoff date set by the commissioner. When setting a cutoff date, the commissioner shall take into account the time required to ensure that the STAR exemptions of all STAR credit applicants in the assessing unit will be removed before school tax bills are prepared. The commissioner shall specify the applicable cutoff dates after taking into account local assessment calendars, provided that different cutoff dates may be set for municipalities with different assessment calendars, and provided further that any such cutoff date may be no earlier than the fifteenth day prior to the date on which the applicable final assessment roll is required by law to be completed and filed.

(ii) A STAR credit switch may be deferred if the application is submitted after school tax bills have been prepared, but before the first day of January of the following year, or such later date as the commissioner shall establish.

(iii) A STAR credit switch may be deferred if the applicant's STAR exemption is not removed from the applicable assessment roll in a timely manner due to inadvertence or other reasons.

(d) Such procedures may also provide that Basic STAR exemption recipients whose incomes exceeds the limit applicable to that exemption may be automatically enrolled in and switched to the Basic STAR credit if their incomes do not exceed the limit applicable to that credit. Each affected individual shall be notified of the switch as soon as practicable. Each such notice shall also advise the individual either that the commissioner has determined that the individual is eligible for the credit, or that the individual must furnish additional information to enable the commissioner to determine the individual's eligibility, as the case may be. In either case, once the individual receives a STAR credit check and deposits or endorses it, he or she shall be deemed to have consented to the switch and shall not be permitted to switch back to the exemption.