§ 485-b. Business investment exemption. 1. Real property constructed, altered, installed or improved subsequent to the first day of July, nineteen hundred seventy-six for the purpose of commercial, business or industrial activity shall be exempt from taxation and special ad valorem levies, except for special ad valorem levies for fire district, fire protection district and fire alarm district purposes, to the extent hereinafter provided.

2. (a) (i) Such real property shall be exempt for a period of one year to the extent of fifty per centum of the increase in assessed value thereof attributable to such construction, alteration, installation or improvement and for an additional period of nine years provided, however, that the extent of such exemption shall be decreased by five per centum each year during such additional period of nine years and such exemption shall be computed with respect to the "exemption base." The exemption base shall be the increase in assessed value as determined in the initial year of such ten year period following the filing of an original application, except as provided in subparagraph (ii) of this paragraph.

(ii) In any year in which a change in level of assessment of fifteen percent or more is certified for a final assessment roll pursuant to the rules of the commissioner, the exemption base shall be multiplied by a fraction, the numerator of which shall be the total assessed value of the parcel on such final assessment roll (after accounting for any physical or quantity changes to the parcel since the immediately preceding assessment roll), and the denominator of which shall be the total assessed value of the parcel on the immediately preceding final assessment roll. The result shall be the new exemption base. The exemption shall thereupon be recomputed to take into account the new exemption base, notwithstanding the fact that the assessor receives the certification of the change in level of assessment after the completion, verification and filing of the final assessment roll. In the event the assessor does not have custody of the roll when such certification is received, the assessor shall certify the recomputed exemption to the local officers having custody and control of the roll, and such local officers are hereby directed and authorized to enter the recomputed exemption certified by the assessor on the roll. The assessor shall give

written notice of such recomputed exemption to the property owner, who may, if he or she believes that the exemption was recomputed incorrectly, apply for a correction in the manner provided by title three of article five of this chapter for the correction of clerical errors.

(iii) The following table shall illustrate the computation of the tax exemption:

Year of exemption	Percentage of exemption
1	50
2	45
3	40
4	35
5	30
6	25
7	20
8	15
9	10
10	5

(b) No such exemption shall be granted unless

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

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

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

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

(d) 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. Such application shall be filed with the assessor of the city, town, village, or county having the power to assess property for taxation on or before the appropriate taxable status date of such city, town, village or county and within one year from the date of completion of such construction, alteration, installation or improvement.

4. If the assessor is satisfied that the applicant is entitled to an exemption pursuant to this section, he or she shall approve the application and such real property shall thereafter be exempt from taxation and special ad valorem levies, except for special ad valorem levies for fire district, fire protection district and fire alarm district purposes, 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 shown in a separate column.

5. The provisions of this section shall apply to real property used primarily for the buying, selling, storing or developing goods or services, the manufacture or assembly of goods or the processing of raw materials. This section shall not apply to property used primarily for the furnishing of dwelling space or accommodations to either residents or transients other than hotels or motels.

6. In the event that real property granted an exemption pursuant to this section ceases to be used primarily for eligible purposes, the exemption granted pursuant to this section shall cease.

7. A county, city, town or village may, by local law, and a school district, except a city school district to which article fifty-two of the education law applies, may, by resolution, reduce the per centum of exemption otherwise allowed pursuant to this section; provided, however, that a project in course of construction and exemptions existing prior in time to passage of any such local law or resolution shall not be subject to any such reduction so effected. Any county, city, town, village or school district that has reduced the per centum of exemption pursuant to this subdivision may thereafter, by local law or resolution as the case may be, increase the per centum of exemption up to any per centum not exceeding the maximum allowed by subdivision two or twelve of this section, whichever is applicable, provided, however, that any such local law or resolution shall apply only to construction, alterations, installations, or improvements commenced subsequent to the effective date of such local law or resolution. A copy of all such local laws or resolutions shall be filed with the commissioner and the assessor of each assessing unit which comprises the county, city, town or school district or, in the case of a village, the village assessor, or the applicable town or county assessor of a village which has adopted a local law provided in subdivision three of section fourteen hundred two of this chapter.

8. A county, city, town or village may, by local law, and a school district, except a city school district to which article fifty-two of the education law applies may, by resolution, establish a date for the commencement of effectiveness of exemptions offered pursuant to this section and may provide that the provisions of this section shall apply only to construction, alteration, installation or improvements having a greater value than that specified by subdivision two of this section, provided, however, that such amount shall not exceed fifty thousand dollars.

9. (a) A county, city, outside the city of New York, town or village may, by local law, and a school district which levies school taxes may, by resolution, establish a board to be known as the industrial and commercial incentive board. The membership and composition of such board

shall be set forth in the local law or resolution.

(b) The industrial and commercial incentive board shall present a plan to the appointing local legislative body concerning the various types of business real property which should be granted eligibility for an exemption pursuant to subdivision one of this section. Such plan shall make recommendations concerning the applicability of the exemption to specific sectors and subsectors, as defined in the North American Industry Classification System published by the United States Government. Such plan shall also make a recommendation as to whether the exemption be computed as provided in subdivision two or twelve of this section. In addition, such plan shall identify specific geographic areas within which such exemptions should be offered. In developing the plan required by this paragraph, the board shall consider the planning objectives of each municipality within which such exemptions may be offered, the necessity of the exemption to the attraction or retention of such business and the economic benefit to the area of providing exemptions to various types of businesses.

(c) In addition, the board may make recommendations to the appointing local legislative body with respect to actions it deems desirable to improve the economic climate therein.

(d) Notwithstanding the provisions of paragraph (a) of this subdivision, where a county establishes an industrial and commercial incentive board, the members of such board shall be appointed as follows: three representatives of the county: the appointment of one shall be reserved to the county executive of the county who shall serve as chair, and one each for the majority and the minority parties of the county legislative body; one representative for each city located within the county upon the recommendation of the mayor; one representative for each of the towns located within the county upon the recommendation of the supervisor; one representative to collectively represent all of the villages located within the county upon the recommendation of the mayors of the villages in the county; and one representative to collectively represent all of the school districts located within the county upon recommendation of the county school boards association. The members of such board shall serve at the pleasure of the governing body which they represent. The members shall serve without salary, but the county legislative body may entitle each such member to reimbursement for his

or her actual and necessary expenses incurred in the performance of his or her duties.

10. Where a county, city, town, village or school district has established an industrial and commercial incentive board, pursuant to subdivision nine of this section, such county, city, town or village may, by local law, and a school district, except a city school district to which article fifty-two of the education law applies, may, by resolution, restrict real property eligible to receive the exemption to real property constructed, altered, installed or improved for those purposes identified in the plan presented by the board. Such law or resolution shall identify the specific sectors and subsectors, as defined in the North American Industry Classification System published by the United States Government to which the exemption shall be applicable. Such law or resolution shall also restrict the availability of such exemption to the specific geographic areas identified in the plan presented by the board.

11. Where a county, by law, restricts exemptions pursuant to the recommendations of an industrial and commercial incentive board, established pursuant to subdivision nine of this section, such restricted exemptions shall be applicable to taxes and special ad valorem levies of each city, town, village and school district located within the area within which the restricted exemptions are offered by the county, unless such city, town or village shall, by law, or such school district, shall, by resolution, determine that such restricted exemptions shall not be applicable to its tax and ad valorem levies. Upon adoption of such law, the county shall notify each affected city, town, village and school district of its actions and inform them of their options regarding such restricted exemptions.

12. Notwithstanding subdivision two of this section, where a county, city, town, village or school district adopts restricted exemptions pursuant to subdivision ten of this section, the law or resolution may provide that such exemptions shall be computed pursuant to the following accelerated strategic exemption schedule:

Year of exemption	Percentage of exemption

1	50
2	50
3	50
4	40
5	30
6	20
7	10
8	10
9	10
10	5

Provided however, that such law or resolution shall:

(i) contain findings that the adoption of this accelerated strategic exemption schedule is necessary to encourage targeted economic development, create or retain permanent private sector jobs, and that the value of the exemptions to be provided is justified by the need to provide employment opportunities and broaden the tax base; and

(ii) limit the applicability of such schedule to projects where the cost of such construction, alteration, installation or improvement exceeds the sum of fifty thousand dollars; and

(iii) provide that such exemptions are restricted by geographic areas and/or groups and major divisions as is provided by subdivision ten of this section.

13. The provisions of this section shall not apply in a city of one million or more persons.