*** § 485-l. Residential property improvement; certain towns.** 1. Construction of improvements to residential real property initiated on or after the first day of January, two thousand seven in towns with a population of not less than one hundred thousand and not more than one hundred twenty-five thousand in counties with a population of not less than nine hundred fifty thousand and not more than nine hundred seventy-five thousand may be exempt from county, city, town, village or school district taxation as provided in this section.

2. (a)(i) Such real property shall be exempt for a period of one year to the extent of one hundred per centum of the increase in the assessed value thereof attributable to such construction and for an additional period of four years provided, however, that the extent of such exemption shall be decreased by twenty per centum each year during such additional period of four years and such exemption shall be computed with respect to the "exemption base." For purposes of this section, the exemption base shall be the increase in assessed value due to improvements as determined by the assessor in the initial year of such five year period following the filing of an original application.

(ii) The following table illustrates the computation of the tax exemption:

| Year of Exemption | Percentage of the Exemption |
|---|---|
| 1 | 100 |
| 2 | 80 |
| 3 | 60 |
| 4 | 40 |
| 5 | 20 |

(b) In addition to the criteria set out in subdivision one of this section, no exemption shall be granted unless: (i) The value of the construction exceeds ten thousand dollars;

(ii) The construction is documented by a building permit, if required for such improvements, or other appropriate documentation as required by the assessor; and

(iii) Such construction takes place on a one or two-family residential dwelling where the assessor has previously reduced the assessment of the dwelling because of a decrease in value attributed by the assessor to physical damage to the dwelling resulting from soil subsidence; and

(iv) The extent of such repairs eligible for the exemption shall be limited to such construction upon a one or two-family residential dwelling where the assessor has previously reduced the assessment of the dwelling because of a decrease in value attributed by the assessor to physical damage to the dwelling resulting from soil subsidence.

(c) For purposes of this section, "improvements" shall not include ordinary maintenance and repairs.

3. Such exemption shall be granted upon application by the owner of such real property upon a form prescribed by the commissioner. The application shall be filed with the assessor of the town on or before the taxable status date for that town and within one year from the date of completion of the improvements.

4. If the assessor is satisfied that the applicant is entitled to the exemption pursuant to this section, the assessor shall approve the application and the real property shall thereafter be exempt from taxation and special ad valorem taxes by a town as provided by this section 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. During the term of the exemption granted pursuant to this section if title to the real property granted an exemption pursuant to this section is transferred or if the property ceases to be used for eligible purposes, the exemption granted pursuant to this section shall cease.

6. A town with a population of not less than one hundred thousand and not more than one hundred twenty-five thousand in a county with a population of not less than nine hundred fifty thousand and not more than nine hundred seventy-five thousand may, by local law, establish a date for the commencement of effectiveness of the exemption offered pursuant to this section. A copy of the local laws shall be filed with the commissioner, the assessor of the town, the clerk of the town, and the secretary of state.

* NB There are 2 § 485-l's