*** § 485-n. Residential-commercial exemption program.** 1. Definitions. As used in this section, the following terms shall have the following meanings:

(a) "Applicant" means any person obligated to pay real property taxes on real property for which an exemption from taxes under this section is sought.

(b) "Benefit area" means the area within a municipality, designated by local law, to which an exemption, established pursuant to this section, applies.

(c) "Commercial construction work" means the modernization, rehabilitation, expansion or other improvement of commercial use property or the portion of mixed-use property to be used for commercial purposes.

(d) "Commercial purpose or use" means the buying, selling or otherwise providing of goods or services, including hotel services, or other lawful business or commercial activities permitted upon mixed-use property.

(e) "Commercial use property" means real property on which will exist, after completion of commercial construction work, a building used for commercial purposes or use.

(f) "Mixed-use property" means real property on which will exist, after completion of residential construction work or a combination of residential construction work and commercial construction work, a building or structure used for both residential and commercial purposes.

(g) "Municipality" means any town, city, village or other taxing entity located in a county having a population of not less than sixty-five thousand three hundred ninety and not more than sixty-five thousand four hundred as determined by the federal decennial census for the year two thousand ten or in a county having a population of not less than ninety-eight thousand nine hundred and not more than ninety-nine thousand as determined by the federal decennial census for the year two thousand ten.

(h) "Residential construction work" means the creation, modernization, rehabilitation, expansion or other improvement of dwelling units, other than dwelling units in a hotel, in the portion of mixed-use property to be used for residential purposes.

2. (a) A municipality, other than a county or school district as provided in this section, may, by local law, provide for the exemption of real property in a designated benefit area from taxation as provided in this section. Subsequent to the adoption of such a local law, the county in which such municipality is located may, by local law, and any school district, all or part of which is located in such municipality, may, by resolution, exempt such property from its taxation in the same manner and to the same extent as such municipality has done.

(b) Such local law shall provide for the appointment of a commercial/mixed use incentive board which shall be responsible for designating the benefit area to be exempt from taxation as provided in this section. The membership and composition of such board shall be set forth in local law. Such board shall present a plan to the local governing body concerning the various types of commercial and/or mixed-use properties which may be granted an exemption pursuant to this section. In addition such plan shall identify designated benefit areas, within which such exemption may be offered. In developing such plan the commercial/mixed use incentive board shall consider the planning objectives of the municipality and the necessity of the exemption to the attraction of commercial and mixed use development as identified by the municipality and the economic benefit to the area of providing exemptions to commercial and mixed-use properties. In instances where a municipality has previously designed a business district encompassing a defined area which was subject to public input and was approved by and received funding for economic development purposes from a state agency, the municipality may utilize the defined boundaries of such previously defined area, or a combination of such boundaries subject to review by the commercial/mixed-use incentive board.

3. Upon the adoption of such a local law the commercial use property or mixed-use property that was converted, created, modernized, rehabilitated, expanded or otherwise improved, shall be exempt from taxation and special ad valorem levies as provided for in subdivision four of this section.

4. (a) (i) For a period of twelve years following the approval of an application, the increase in assessed value of such property

attributable to such conversion, creation, modernization, rehabilitation, expansion or other improvement shall be exempt as provided in subparagraph (ii) of this paragraph. Such exemption shall be computed with respect to the "exemption base". The exemption base shall be determined for each year in which there is an increase in assessed value so attributable from that of the previous year's assessed value.

(ii) The following shall determine the computation of the tax exemption:

Year of exemption	Percentage of exemption
1 through 8	100% of exemption base
9	80% of exemption base
10	60% of exemption base
11	40% of exemption base
12	20% of exemption base

(b) No such exemption shall be granted unless:

(i) such conversion, creation, modernization, rehabilitation, expansion or other improvement was commenced subsequent to the date on which the municipality's local law took effect; and

(ii) the cost of such conversion exceeds the sum of ten thousand dollars or such greater amount as may be specified by local law.

(c) For purposes of this section the term "conversion, creation, modernization, rehabilitation, expansion or other 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 municipality 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 twelve year exemption granted pursuant to this section less the number of years the property would have been previously exempt from real property taxes.

5. Such exemption shall be granted only upon application by the owner of real property on a form prescribed by the commissioner. Such

application shall be filed with the assessor of the municipality or county having the power to assess property for taxation on or before the appropriate taxable status date of such municipality or county.

6. 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 as provided in this section commencing with the assessment roll prepared after the taxable status date referred to in subdivision five 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.

* NB Repealed September 23, 2027