*** § 485-p. Economic transformation area exemption.** 1. (a) Real property constructed, altered, installed or improved in an economic transformation area as defined in subdivision ten of section four hundred of the economic development law which is used for business, commercial or industrial purposes and which is owned by a business entity that has been issued a certificate of eligibility pursuant to subdivision three of section four hundred two of the economic development law shall be exempt from taxation and special ad valorem levies by any municipal corporation in which located, for the period and to the extent herein provided, provided that the governing board of such municipal corporation, after public hearing, adopts a local law, ordinance or resolution providing therefore. Such local law, ordinance or resolution must be adopted within three years of the date of the closure of a closed facility (as that term is defined in subdivision eleven of section four hundred of the economic development law) located in the economic transformation area.

(b) The exemption so authorized shall be for a term of five years. The amount of such exemption shall be as follows:

(i) If the construction, alteration, installation or improvement occurs on or at the site of the closed facility in the economic transformation area, then the exemption in the first year of its term shall be fifty percent of the "base amount," determined pursuant to subdivision two of this section. The amount of the exemption in the second, third, fourth and fifth year of its term shall be forty percent, thirty percent, twenty percent and ten percent, respectively, of such base amount.

(ii) If the construction, alteration, installation or improvement occurs in the economic transformation area outside of the closed facility, then the exemption in the first year of its term shall be twenty-five percent of the "base amount," determined pursuant to subdivision two of this section. The amount of the exemption in the second, third, fourth and fifth year of its term shall be twenty percent, fifteen percent, ten percent and five percent, respectively, of such base amount.

2. (a) The base amount of the exemption shall be the extent of the increase in assessed value attributable to such construction,

alteration, installation or improvement as determined in the initial year for which application for exemption is made pursuant to this section. The base amount shall remain constant for the authorized term of the exemption, subject to the following:

(i) If there is subsequent construction, alteration, installation or improvement during the term of the exemption, the base amount shall be revised to include the increase in assessed value attributable to such construction, alteration, installation or improvement.

(ii) If a change in level of assessment of fifteen percent or more is certified for an assessment roll pursuant to the rules of the commissioner, the base amount shall be adjusted by such change in level of assessment. The exemption on that assessment roll shall thereupon be recomputed, notwithstanding the fact that the assessor receives the certification 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.

(b) No such exemption shall be granted unless the construction, alteration, installation or improvement commenced within one year of the date of the issuance of the certificate of eligibility to the property 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 concurrently 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 five 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. The original of such application shall be filed with the assessor of the assessing unit. Such original application shall be filed on or before the appropriate taxable status date of such assessing unit and no later than one year from the date of completion of such construction, alteration, installation or improvement.

4. If the assessor receives an application by the owner of the real property, he or she shall approve the application and such real property shall thereafter be exempt from taxation 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 entered in a separate column.

* NB Repealed December 31, 2026