§ 499-bbbbb. Real property tax abatement. 1. The department of finance shall provide an abatement of real property taxes pursuant to this section to an eligible building in which construction, conversion, alteration or improvement that is completed on or after April first, two thousand twenty-two has resulted in the creation of a premises of a childcare center or in an increase in the maximum number of children allowed on the premises of an existing childcare center when such center is in operation, as such number is specified in the permit issued by the department of health and mental hygiene to operate such center. The department of finance may only grant one such abatement to any eligible building.

2. (a) (i) Beginning in the tax year commencing on or after July first, two thousand twenty-three, the amount of such tax abatement provided to an eligible building described in subdivision one of this section shall be equal to the costs incurred in the construction, conversion, alteration or improvement that has resulted in the creation of a premises of a childcare center or in an increase in the maximum number of children allowed on the premises of an existing childcare center, provided that such costs are certified in accordance with paragraph (d) of subdivision two of section four hundred ninety-nine-ccccc of this title, and provided further that, during the abatement period: (A) the amount of such abatement shall not exceed thirty-five dollars for each square foot of the premises, nor exceed one hundred thousand dollars, for a tax abatement initially taken in a tax year commencing prior to July first, two thousand twenty-five; and (B) the amount of such abatement shall not exceed thirty-five dollars for each square foot of the premises, nor exceed three hundred fifty thousand dollars, for a tax abatement initially taken in a tax year commencing on or after July first, two thousand twenty-five.

(ii) For any tax year, such abatement shall not exceed seven dollars for each square foot of the premises, provided that such amount may be reduced as a result of an allocation of available funds for such abatement pursuant to paragraph (d) of this subdivision; and provided, further, that: (A) the amount of such tax abatement in any tax year shall not exceed the lesser of (I) twenty thousand dollars, or (II) the real property tax liability for the eligible building in the tax year in

which such tax abatement is taken, for a tax abatement initially taken in a tax year commencing prior to July first, two thousand twenty-five; and (B) the amount of a tax abatement in any tax year shall not exceed the lesser of (I) seventy thousand dollars, or (II) the real property tax liability for the eligible building in the tax year in which such tax abatement is taken, for a tax abatement initially taken in a tax year commencing on or after July first, two thousand twenty-five.

(iii) To the extent the amount of such tax abatement exceeds: (A) the lesser of (I) twenty thousand dollars, or (II) the real property tax liability of the eligible building in any tax year, for a tax abatement initially taken in a tax year commencing prior to July first, two thousand twenty-five; or (B) the lesser of (I) seventy thousand dollars, or (II) the real property tax liability of the eligible building in any tax year, for a tax abatement initially taken in a tax year commencing on or after July first, two thousand twenty-five, any amount of such tax abatement that remains may be applied to the real property tax liability of such building in succeeding tax years, provided that such abatement must be applied to the real property tax liability of such building in one or more of the four tax years succeeding the tax year in which such tax abatement was initially taken.

(b) (i) Notwithstanding paragraph (a) of this subdivision, an enhanced tax abatement shall be provided to an eligible building described in subdivision one of this section that is located within a childcare desert as described in this title and in any rules promulgated hereunder. Beginning in the tax year commencing on or after July first, two thousand twenty-three, the amount of such enhanced tax abatement shall be equal to the costs incurred in the construction, conversion, alteration or improvement that has resulted in the creation of a premises of a childcare center or in an increase in the maximum number of children allowed on the premises of an existing childcare center, provided that such costs are certified in accordance with paragraph (d) of subdivision two of section four hundred ninety-nine-ccccc of this title, and provided further that, during the abatement period: (A) the amount of such abatement shall not exceed seventy-five dollars for each square foot of the premises nor exceed two hundred twenty-five thousand dollars, for a tax abatement initially taken in a tax year commencing prior to July first, two thousand twenty-five; and (B) the amount of

such abatement shall not exceed seventy-five dollars for each square foot of the premises nor exceed seven hundred fifty thousand dollars, for a tax abatement initially taken in a tax year commencing on or after July first, two thousand twenty-five.

(ii) For any tax year, such abatement shall not exceed fifteen dollars for each square foot of the premises, provided that such amount may be reduced as a result of an allocation of available funds for such abatement pursuant to paragraph (d) of this subdivision; and provided further that: (A) the amount of such enhanced tax abatement in any tax year shall not exceed the lesser of (I) forty-five thousand dollars, or (II) the real property tax liability for the eligible building in the tax year in which such tax abatement is taken, for a tax abatement initially taken in a tax year commencing prior to July first, two thousand twenty-five; and (B) the amount of such enhanced tax abatement in any tax year shall not exceed the lesser of (I) one hundred fifty thousand dollars, or (II) the real property tax liability for the eligible building in the tax year in which such tax abatement is taken, for a tax abatement initially taken in a tax year commencing on or after July first, two thousand twenty-five.

(iii) To the extent the amount of such enhanced tax abatement exceeds: (A) the lesser of (I) forty-five thousand dollars, or (II) the real property tax liability of the eligible building in any tax year, for a tax abatement initially taken in a tax year commencing prior to July first, two thousand twenty-five; or (B) the lesser of (I) seventy thousand dollars, or (II) the real property tax liability of the eligible building in any tax year, for a tax abatement initially taken in a tax year commencing on or after July first, two thousand twenty-five, any amount of such tax abatement that remains may be applied to the real property tax liability of such building in succeeding tax years, provided that such abatement must be applied to the real property tax liability of such building in one or more of the four tax years succeeding the tax year in which the tax abatement was initially taken.

(c) Notwithstanding paragraph (a) or (b) of this subdivision, the aggregate amount of tax abatements authorized pursuant to this section for any tax year shall be a maximum of twenty-five million dollars. No tax abatements shall be authorized pursuant to this section for any tax

year commencing on or after July first, two thousand thirty-two.

(d) Such aggregate amount of tax abatements, including the tax abatement described in paragraph (a) of this subdivision and the enhanced tax abatement described in paragraph (b) of this subdivision, shall be allocated by the department of finance on a pro rata basis among applicants whose applications have been approved by the designated agency. If such allocation is not made prior to the date that the real property tax bill, statement of account or other similar bill or statement is prepared, the department of finance shall, as necessary, after such allocation is made, submit an amended real property tax bill, statement of account or other similar bill or statement to any applicant whose abatement requires adjustment to reflect such allocation. Nothing in this paragraph shall be deemed to affect the obligation of any taxpayer under applicable law with respect to the payment of any installment of real property tax for the fiscal year as to which such allocation is made, which was due and payable prior to the date such amended real property tax bills are sent, and the department of finance shall be authorized to determine the date on which any such amended bills be sent and the installments of real property tax be reflected therein.

(e) Notwithstanding any law to the contrary, any abatement granted to an eligible building pursuant to this section shall be in addition to any other abatement or exemption granted to such building, provided that any abatement granted under this section shall be applied after any other abatement or exemption granted to such building, and provided further that the application of this abatement after any other such exemption or abatement shall not exceed the real property tax liability due on such eligible property.

3. Such abatement shall commence on the first of July following the approval of an application for abatement by the designated agency.

4. If, as a result of application to the tax commission or a court order or action by the department of finance, the billable assessed value of the eligible building for the fiscal year in which the tax abatement is taken is reduced after the assessment roll becomes final, the department of finance shall recalculate such abatement so that the

abatement granted shall not exceed the annual tax liability of such building as so reduced. The amount equal to the difference between the initial abatement granted by the department and the abatement as so recalculated shall be deducted from any refund otherwise payable or remission otherwise due as a result of such reduction in billable assessed value.