

ANNUAL REPORT 2021



CARL E. HEASTIE, SPEAKER
SANDRA R. GALEF, CHAIR

NEW YORK STATE ASSEMBLY
COMMITTEE ON REAL PROPERTY TAXATION



THE ASSEMBLY
STATE OF NEW YORK
ALBANY

CHAIR
Real Property Taxation

COMMITTEES
Corporations, Authorities and Commissions
Election Law
Governmental Operations
Health

SANDRA R. GALEF
Assemblywoman 95th District

December 15, 2021

The Honorable Carl Heastie
Speaker of the Assembly
Room 932 – Legislative Office Building
Albany, New York 12248

Dear Speaker Heastie:

I am pleased to submit the 2021 Annual Report of the Assembly Standing Committee on Real Property Taxation. This year was a busy and unique year for the Committee, which dealt with a wide range of challenging issues and diverse legislation. Specifically, we focused on providing relief to taxpayers and municipalities affected financially by COVID-19.

In 2021, the Committee met seven times and reported 36 bills. We reviewed and reported proposed legislation in a variety of areas including general administration, exemption administration, and COVID-19 relief. In addition to our legislative responsibilities, the Committee worked closely with the Department of Taxation and Finance to promote informed and responsible legislation.

During the budget process, the Committee successfully ensured that alternate energy taxation shall be set by a team of experts, including the Department of Tax and Finance in consultation with NYSEDA, and assessors to establish a standard method of assessing solar or wind energy systems. The Assembly fought hard to ensure that the establishment of the assessment methodology included a wide range of stakeholders and not just the Department. The Committee also extended the section 487 exemption until January 1, 2025 for eligible energy system construction projects.

In 2022, the Committee will continue to focus on legislation that will provide real property tax relief, improve assessment practices, enhance efficiency and reduce costs in real property tax administration, as well as examine the effects of real property tax exemptions, and how to best assist taxpayers and local governments in dealing with the financial effects of COVID-19.

I have greatly enjoyed working with the Real Property Taxation Committee members. Their knowledge and enthusiasm were instrumental in making this an earnest and productive year. I look forward to another productive year in 2022.

Sincerely,

Sandra R. Galef, Chairperson
Real Property Taxation Committee

2021 STANDING COMMITTEE ON

REAL PROPERTY TAXATION

SANDRA R. GALEF, CHAIRPERSON

MEMBERS of the COMMITTEE

MAJORITY

John T. McDonald III
Inez E. Dickens
Brian Barnwell
Daniel Rosenthal
Nader J. Sayegh
Simcha Eichenstein
Zohran K. Mamdani

MINORITY

Brian D. Miller- Ranking Member
Chris Tague

COMMITTEE STAFF

Dallas Trombley, Assistant Secretary for Program and Policy
Matthew Henning/Hannah Gauthier, Legislative Analyst
Rebecca Southard-Kreiger, Legislative Director/Committee Clerk
Sheila Maddox, Program and Counsel Secretary

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I. LEGISLATION- GENERAL ADMINISTRATIVE

Requiring Assessors to Use Comparable Properties

A.894-C (Zebrowski); Chapter 497 of the Laws of 2021:

This legislation requires assessors using the comparable sales method for assessments to consider certain comparable properties in formulating the assessment. This bill adds Section 305-a to the Real Property Tax Law, establishing guidelines for using the comparable sales, income capitalization, or cost method in assessing the value of property.

Clarifying the Joshua Baptist Church Application for Exemption

A.960 (Stern); Chapter 40 of the Laws of 2021:

This legislation made technical changes to Chapter 187 of the Laws of 2020, which authorized the assessor of the town of Huntington to accept from Joshua Baptist Church an application for exemption from real property taxes, to effectuate the intent of the law.

Clarifying the Chabad Lubavitch Chai Center Application for Exemption

A.961 (Stern); Chapter 39 of the Laws of 2021:

This legislation made technical changes to Chapter 163 of the Laws of 2020, which authorized the assessor of the town of Huntington to accept from Chabad Lubavitch Chai Center, Inc., an application for exemption from real property taxes, to effectuate the intent of the law.

Clarifying Task Force Membership and Data Sharing

A.971 (Abinanti); Chapter 131 of the Laws of 2021:

This legislation amends Chapter 317 of the Laws of 2020, by removing the requirement that the task force be established within the New York State Department of Taxation and Finance, while also removing the Commissioner of Taxation and Finance as a task force member. Additionally, it increases the number of appointees by the temporary President of the Senate and the Speaker of the Assembly to two and adds the President of the New York State Assessors Association or a designee. This legislation requires any data shared by the task force to the New York State Department of Taxation and Finance be provided in a format in accordance with the New York State Open Data Handbook.

Clarifying the Meaning of “Income Tax Year”

A.3034 (McDonald); Chapter 558 of the Laws of 2021:

This bill clarifies the meaning of “income tax year” to be the twelve-month period for which the applicant filed a federal personal income tax return for the income tax year immediately preceding the application in relation to the Senior Citizen Exemption Program.

Requiring Municipalities to Conduct Reassessments

A.3490 (Galef); Reported to Ways and Means:

This legislation requires municipalities to conduct reassessments at least every eight years. The legislation would take effect on January 1, 2025 and would be applicable to final assessment rolls filed on and after such date.

Authorizing Assessments of Newly Constructed Co-Op and Condo Units

A.3491 (Galef); Reported to Rules:

This legislation would allow newly constructed co-op and condo units to be assessed at a more fair and equitable level. It would allow assessors to assess individual co-op and condominium units without the restriction laid out in paragraph (a) of subdivision 1 of section 581 of Real Property Tax Law.

Authorizing Expedited Article 7 Proceedings

A.3492 (Zebrowski); Reported to Ways and Means:

This legislation would expedite Article 7 proceedings by reducing the time period in which the note of issue must be filed, creating a staggered appraisal submission schedule, and ensuring timely disclosures of income and expense statements.

Limiting Shifts Between Property Classes

A.4750 (Zebrowski); Chapter 213 of the Laws of 2021:

This law limits shifts between homestead and non-homestead property classes of no more than one percent per year in the town of Clarkstown, County of Rockland.

Allowing Municipalities to Derive Revenue from State-Owned Lands

A.5930 (Galef); Reported to Ways and Means:

This legislation would provide equity in relation to the taxation of state-owned lands. This legislation would make State owned land subject to taxation for all purposes, exclusive of improvements, equal to ten percent of the taxes that would be owed if the land were privately owned for tax year 2022, increasing to thirty percent of the taxes that would be owed if the land were privately owned for tax years 2026 and after.

Limiting Shifts Between Property Classes

A.6011 (Lawler); Chapter 346 of the Laws of 2021:

This legislation limits shifts between homestead and non-homestead property classes of no more than one percent per year in the town of Orangetown, County of Rockland.

Clarifying Charge-back of Tax Certiorari Refunds

A.6489 (Stirpe); Chapter 503 of the Laws of 2021:

This legislation provides clarification regarding which types of public libraries a school district may levy a charge-back of tax certiorari related refunds.

Extends the Authorization to Conduct Tax Lien Sales

A.6841 (Otis); Chapter 562 of the Laws of 2021:

This legislation extends the authorization for certain villages to conduct tax lien sales until December 31, 2024.

Limiting Shifts Between Property Classes

A.7094 (Lavine); Chapter 203 of the Laws of 2021:

This legislation limits the amount of property tax shift between homestead/non-homestead and class share apportionment for local governments within and including Nassau County, and homestead/non-homestead apportioned local governments within Suffolk County (Town of Islip).

Allows Local Assessors to Process Retroactive Exemptions

A.7583 (Galef); Reported to Ways and Means:

This legislation would allow local assessors to process retroactive exemptions without action by the State and local governments when a non-profit organization has purchased the property after the taxable status date.

Assessing of Condominium Dwellings

A.7608 (Wallace); Reported to Ways and Means:

This bill would allow municipal corporations to assess free-standing condominium dwelling units in the same manner as other types of residential real property.

Allowing Lessees to Grieve the Board of Assessment Review

A.7693 (Stern); Reported to Rules:

This bill would allow certain lessees to grieve the subject assessment level to the Board of Assessment Review.

II. LEGISLATION- REAL PROPERTY TAX RELIEF PROGRAMS:

Amends the Residential-Commercial Urban Exemption Program

A.1367 (Magnarelli); Chapter 132 of the Laws of 2021:

This legislation amends Chapter 357 of the Laws of 2020, related to the residential-commercial urban exemption program. It expands the definition of "commercial purpose or use;" removes provisions that prevent vacant land from eligibility for the exemption; establishes that a "mixed-use property" is a property with at least 40% devoted to residential purposes; removes provisions that require at least 75% of the mixed-use property to consist of a pre-existing structure or building; requires recipients to include in the annual certification the total below-grade square footage of residential use and commercial use; ensures that the benefit will only be revoked for the years that the property was in violation of the requirements of the statute; and provides that benefits may not be revoked unless recipients are given 30 days' notice of the revocation and reasonable notice to cure any failure to comply with the requirements of the statute.

Allowing Taxing Jurisdictions to Adopt Phase-In Exemptions

A.3489 (Galef); Chapter 560 of the Laws of 2021:

This legislation mitigates the effects of a reassessment by providing taxing jurisdictions with the ability to adopt a two-year phase-in exemption for assessment increases attributable to the reassessment on certain residential properties. The first year after reassessment the property would receive a 66% exemption on the increased value and 33% in the second year.

Clarifying the Definition of Veteran

A.6055-A (Woerner); Referred to Rules:

This bill would have clarified the definition of "veteran" to include career members of the armed forces for purposes of the veterans alternative tax exemption.

Creating a Conservation Easement

A.7088 (Kelles); Chapter 637 of the Laws of 2021:

This legislation created a conservation easement exemption program in the Town of Danby, Tompkins County.

Creating a Conservation Easement

A.7096 (Fahy); Chapter 221 of the Laws of 2021:

This legislation created a conservation easement exemption program in the Town of Guilderland, County of Albany. The legislation states that a 15-29 - year commitment would result in a 50% exemption, a 30-49 - year commitment would result in a 75% exemption, a 50-75 - year commitment would result in an 85% exemption and a perpetual agreement would result in a 90% exemption.

Increased Maximum Exemptions to RPTL 421-f

A.7097 (Galef); Reported to Ways and Means:

This legislation would increase the maximum exemption base to \$145,000 in the RPTL 421-f exemption program.

Extends the J-51 Exemption and Abatement Program

A.7125 (Braunstein); Chapter 176 of the Laws of 2021:

This legislation extends the J-51 property tax exemption and abatement program to 2022. This legislation states that all alterations or improvements must be completed prior to June 30, 2022.

Extended the NYC Co-Op and Condo Abatement Program

A.7126 (Quart); Chapter 184 of the Laws of 2021:

This legislation extended the co-op and condo abatement program in New York City for two years and sets deadlines for abatement applications by eligible unit owners.

Exemption for Military Members Under the Federal Reserve

A.7466 (Englebright); Passed Assembly:

This legislation would allow municipalities to provide the Cold War Veterans exemption pursuant to section 458-b of the Real Property Tax Law to military members who served under the Federal Reserve Forces Act of 1955.

Creating a Residential and Mixed-Use Investment Exemption

A.7520-A (McDonald); Chapter 638 of the Laws of 2021:

This legislation created a residential and mixed-use investment exemption program in the City of Troy. The legislation defines "residential and mixed-use real property" as any structure containing one to four units of which one is used for commercial or retail space and the remaining units are used for residential space. The legislation also establishes conditions for the exemption, including: construction commenced on or after the first day of July, 2021 or such later date as may be specified by local resolution; the cost construction is more than seventy thousand dollars; and such construction must receive a certificate of occupancy or other appropriate documentation as provided by the owner.

Exemption for Volunteer Firefighters and Ambulance Workers

A.7644 (Lunsford); Chapter 652 of the Laws of 2021:

This legislation allows Monroe County and its localities to enact a local law, ordinance or resolution providing eligible volunteer firefighters and ambulance workers a 10% real property tax exemption off the assessed value of such property for city, village, town, special district, school district, fire district or county purposes.

III. LEGISLATION-COVID-19 SPECIFIC

Preventing Suspension of STAR Benefit Due to Delinquent Property Taxes

A.5374 (McMahon); Chapter 663 of the Laws of 2021:

This legislation prevents STAR recipients who became delinquent on their property taxes during the pandemic from having their STAR benefit suspended by requiring the Commissioner of the Department of Taxation and Finance to extend the deadline to pay delinquent taxes until after the end of the COVID-19 state disaster emergency.

Extending the Deadline for Filing Exemption Applications:

A.7368 (Rozić); Chapter 409 of the Laws of 2021:

This legislation extended the deadline for all real property tax exemption applications to July 15, 2021 if the taxing jurisdiction passed an enacting local law.

IV. NOT-FOR-PROFIT RETROACTIVE EXEMPTIONS

Assessors in several jurisdictions were authorized to accept real property tax exemption applications after the applicable taxable status date for certain properties (six in all) owned by religious organizations, municipalities, educational institutions, and other non-profit entities. In most cases, the property was purchased or acquired after the taxable status date. In some instances, the property owners were unaware of the need to file annual exemption applications. The following bills grant the local assessor the authority to review these applications and to determine whether the entity qualifies for the non-profit real property tax exemption under State Law. If the assessor determines the non-profit entity is eligible, the governing body or tax department may, in its sole discretion, provide for the refund of those taxes paid and cancel the fines, penalties, or interest remaining unpaid. The following is a list, by chapter number, of the organization name and taxing jurisdiction affected by this legislation.

Chapter No.	Bill No.	Organization Name	Assessment Jurisdiction (S)
256	A7263	Good Samaritan Hospital Medical Center	Town of Islip
293	A6190-A	Mercy Haven, Inc.	Town of Islip
297	A7636	Divya Jyoti Jagrati Kendra	Nassau County
355	A6397	Chabad of Islip Township, Inc.	Town of Islip
377	A5430	Community Services Support Corporation	Town of Islip
408	A7229-A	Choice for All, Inc.	Nassau County

V. OUTLOOK FOR 2022

Real property tax assessments and exemptions determine the distribution of tax liability imposed on residential, commercial, and industrial real property by local governments and school districts. The Committee is responsible for legislation that sets policies for equity and fairness in the determination of real property tax assessments, and for reducing the overall tax burden.

In 2022, the Committee will continue to review and consider legislation that will improve the real property taxation and assessment process. Our focus will be on real property tax relief, improving assessment practices and efficiency, real property tax exemptions, and the impact of COVID-19 on taxpayers and local revenues.

Real Property Tax Relief - With some of the highest real property taxes in the country, real property taxation has been gaining increasing attention and public scrutiny as many people find the cost of living in the State of New York to be increasingly burdensome. In 2022, the Real Property Taxation Committee plans to continue its efforts to address the effectiveness and sustainability of current tax relief efforts including the STAR exemption program, as well as the use of various exemptions in providing real

property tax relief. It will also strive to find alternatives to programs that are identified as being inadequate or unsuccessful.

Assessment Practices - As the foundation of the real property tax system is the assessment process, it is imperative that accurate and up-to-date information serve as the basis for assessments. The Committee will continue to advance proposals that will encourage taxing jurisdictions to use up-to-date, full value assessment practices. It will also continue to promote transparent assessment practices, thus ensuring that taxpayers have access to assessment information so they may be active participants in the assessment process. Additionally, the Committee will continue to explore ways to integrate new technologies into real property assessment administration to streamline processes, decrease costs to the state and local governments and provide greater access to assessment data for taxpayers.

Exemptions - There are over one hundred real property tax exemptions applicable to private real property. While these exemptions provide savings for certain property owners, they, in turn, shift the burden to other parties. As more properties become partially or wholly exempt from taxation in a community, the tax base becomes eroded and those property owners that do not receive exemptions experience tax increases. Because of this, the Real Property Taxation Committee has made it a priority to scrutinize new exemption proposals and will continue to examine the fairness of preexisting exemptions to avoid unduly compromising the tax base.

COVID-19 Impacts - The COVID-19 pandemic continues to leave many real property owners struggling to pay their property tax bills. The Committee made it priority to provide relief and options in regard to the collection of property taxes to localities that saw losses to their tax base, and will continue to monitor the need for extensions and other extraordinary tax measures as the pandemic continues.

2021 SUMMARY SHEET

APPENDIX A

COMMITTEE SUMMARY

TOTAL NUMBER OF COMMITTEE MEETINGS HELD 7

	<u>ASSEMBLY</u> <u>BILLS</u>	<u>SENATE</u> <u>BILLS</u>	<u>TOTAL</u> <u>BILLS</u>
BILLS REPORTED FAVORABLE TO:			
Codes	3	0	3
Judiciary	0	0	0
Ways and Means	33	0	33
Rules	0	0	0
Floor	0	0	0
TOTAL	36	0	36
COMMITTEE ACTION			
Held For Consideration	0	0	0
Defeated	0	0	0
Enacting Clause Stricken	2	0	2
REMAINING IN COMMITTEE	174	23	197
BILLS REFERENCE CHANGED TO:			
Local Governments	1	0	1
Ways and Means	16	0	16
TOTAL	17	0	17

APPENDIX B
2021 ENACTED REAL PROPERTY TAXATION LEGISLATION

Chapter No.	Bill No.	Sponsor	Description
39	A961	Stern	Authorizes the assessor of the town of Huntington to accept from Chabad Lubavitch Chai Center, Inc., an application for exemption from real property taxes.
40	A960	Stern	Authorizes the assessor of the town of Huntington to accept from Joshua Baptist Church an application for exemption from real property taxes.
131	A971	Abinanti	Clarifies Task Force Membership and Data Sharing in Chapter 317 of the Laws of 2020.
131	A1367	Magnarelli	Amends the residential-commercial urban exemption program.
176	A7125	Braunstein	Extends the J-51 property tax exemption and abatement program to 2022. This legislation states that all alterations of improvements must be completed prior to June 30, 2022.
184	A7126	Quart	Extends the co-op and condo abatement program in New York City for two years
203	A7094	Lavine	Limits the amount of property tax shifts between homestead/non-homestead and class share apportionment for local governments within and including Nassau County and homestead/non-homestead apportioned local governments within Suffolk County (Town of Islip).
213	A4750	Zebrowski	Limit shifts between homestead and non-homestead property classes in the town of Clarkstown, county of Rockland.
221	A7096	Fahy	Creates a conservation easement exemption program in the Town of Guilderland, County of Albany.
256	A7263	Durso	Authorizes Good Samaritan Hospital Medical Center to receive retroactive real property tax exempt status.
293	A6190A	Gandolfo	Authorizes Mercy Haven, Inc. to receive retroactive real property tax exempt status.
297	A7636	Montesano	Authorizes Divya Jyoti Jagrati Kendra to receive retroactive real property tax exempt status.

346	A6011	Lawler	Limits shifts between homestead and non-homestead property classes in the town of Orangetown, county of Rockland.
355	A6397	Gandolfo	Authorizes Chabad of Islip Township, Inc. to receive retroactive real property tax exempt status.
377	A5430	Ramos	Authorizes the Community Services Support Corporation to receive retroactive real property tax exempt status.
409	A7368	Rozic	Extends the deadline for all real property tax exemption applications to July 15, 2021 if the taxing jurisdiction passes an enacting local law.
497	A894-C	Zebrowski	Requires assessors to consider certain comparable properties in formulating the assessment.
503	A6489	Stirpe	Provides clarification regarding which types of public libraries a school district may levy a charge-back of tax certiorari related refunds.
558	A3034	McDonald	Clarifies the meaning of “income tax year.”
560	A3489	Galef	Authorizes taxing jurisdictions with the ability to adopt a two-year phase in exemption for assessment increases attributable to the reassessment on certain residential properties.
562	A6841	Otis	Extends the authorization for certain villages to conduct tax lien sales for three years.
637	A7088	Kelles	Creates a conservation easement exemption program in the Town of Danby, Tompkins County.
638	A7520	McDonald	Create a residential and mixed-use investment exemption program in the City of Troy, Rensselaer County.
652	A7644	Lunsford	Allows Monroe County and its localities to enact a local law, ordinance or resolution providing eligible volunteer firefighters and ambulance workers a 10% real property tax exemption off the assessed value of such property for city, village, town, special district, school district, fire district or county purposes.
663	A5374	McMahon	Prevents STAR recipients who became delinquent on their property taxes during

			the pandemic from having their STAR benefit suspended.
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APPENDIX C
2021 REAL PROPERTY TAX LEGISLATION - PASSED ASSEMBLY ONLY

Bill No.	Sponsor	Description
A6055A	Woerner	Clarifies the definition of veteran to include career members of the armed forces for purposes of the veteran's alternative tax exemption.
A7466	Englebright	Grants municipalities the authority to provide real property tax exemptions for certain Cold War veterans.