

NEW YORK STATE ASSEMBLY

Carl E. Heastie, Speaker
Jaime R. Williams, Chair



2023 ANNUAL REPORT

COMMITTEE ON
REAL PROPERTY TAXATION



THE ASSEMBLY
STATE OF NEW YORK
ALBANY

CHAIR
Real Property Taxation

COMMITTEES
Agriculture
Environmental Conservation
Government Operations
Transportation

JAIME R. WILLIAMS
Assemblywoman 59th District

December 15, 2023

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 2023 Annual Report of the Assembly Standing Committee on Real Property Taxation. Our accomplishments during the 2023 legislative session reflect the Committee's and my own commitment to supporting communities and municipalities across New York. This year, the Committee met six times and reported 46 bills. We reviewed and reported proposed legislation in a variety of areas including general administration, real property relief programs, and exemption administration.

In addition to our legislative responsibilities, the Committee worked closely with the Department of Taxation and Finance throughout the budgetary process to make improvements to various real property tax programs and processes. These improvements included clarifying the Senior Citizen Rent Increase Exemption (SCRIE) and Disability Rent Increase Exemption (DRIE) programs, advancing the statewide wind and solar assessment model, and extending the statewide oil and gas charges.

In 2024, 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 local governments in maintaining a healthy and stable tax base.

In my first year as Chairwoman, I have greatly enjoyed working with the Real Property Taxation Committee members. Their knowledge and enthusiasm were instrumental in making this an earnest and informative year. I look forward to a productive 2024 legislative session.

Sincerely,

A handwritten signature in black ink that reads "Jaime Will" followed by a long horizontal flourish.

Jaime R. Williams, Chairperson
Real Property Taxation Committee

ASSEMBLY STANDING COMMITTEE ON

REAL PROPERTY TAXATION

JAIME R. WILLIAMS, CHAIRPERSON

MEMBERS of the COMMITTEE

MAJORITY

Inez E. Dickens
Daniel Rosenthal
Simcha Eichenstein
Zohran K. Mamdani
George Alvarez
MaryJane Shimsky

MINORITY

Brian D. Miller- *Ranking Member*
Chris Tague
Matthew J. Slater

COMMITTEE STAFF

Matthew Henning, Assistant Secretary for Program and Policy
Hannah Gauthier, Legislative Analyst
Michael Sullivan, Counsel
Nancy Rissacher, Committee Clerk
Julia Todaro, Program and Counsel Secretary

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I. FY 2023-2024 REAL PROPERTY TAX BUDGET INITIATIVES

- Article VII

The enacted 2023-24 State Fiscal Year Budget includes the following Article VII provisions:

- The Legislature modified the Executive proposal to amend the Senior Citizen Property Tax Exemption definition of income to make corresponding amendments within the Persons with Disabilities and Limited Incomes Exemption, and the Rent Controlled Senior Citizens or Persons with Disabilities Exemption. (REV K)
- The Legislature accepted the Executive proposal to extend the Oil and Gas Charges until March 31, 2027. (REV L)
- The Legislature accepted the Executive proposal to clarify that the solar and wind energy appraisal model shall be excluded from article two of the State Administrative Procedure Act (SAPA). (REV N)

II. LEGISLATION- GENERAL ADMINISTRATIVE

Allowing Municipalities to Derive Revenue from State-Owned Lands

A.1291 (Williams); Reported to Ways and Means

This legislation would make State-owned land subject to taxation for all purposes, exclusive of improvements, equal to 10% of the taxes that would be owed if the land were privately owned for tax year 2024, increasing to 30% of the taxes that would be owed if the land were privately owned for tax years 2028 and after.

Requiring Municipalities to Conduct Reassessments

A.1293 (Williams); Reported to Ways and Means

This legislation would require municipalities to conduct reassessments at least every eight years.

Capping Interest on Delinquent Tax Payments

A.1489 (Thiele); Reported to Ways and Means

This legislation would cap the interest rate for delinquent tax payments due on owner occupied residential real property containing three or less dwelling units at 7.5%.

Assessing Condominium Dwelling Units

A.2968 (Wallace); Reported to Ways and Means

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

Limiting Shifts Between Property Tax Classes in New York City

A.3327-A (Weprin); Chapter 347 of the Laws of 2023

This law provides that in New York City, all property tax class base proportions to be determined in fiscal year 2024 shall not increase from that class's previous year's base proportion by more than 5%.

Authorizing the Extension of the Taxable Status Date for the City of Albany

A.4674-A (Fahy); Passed Assembly

This legislation would authorize the City of Albany to extend the taxable status date by a maximum of 60 days.

Extends the New York City Co-Op and Condo Abatement

A.4972-A (Braunstein); Chapter 147 of the Laws of 2023

This law extends the New York City co-op and condo abatement through 2026.

Authorizes New York City to Reduce Accrued Interest on a Certain Property

A.5036 (Eichenstein); Chapter 552 of the Laws of 2023

This law requires New York City to reduce the interest accrued on charges by the Department of Health for services performed between January 21, 1997, and November 9, 1999, on a certain property in Brooklyn.

Authorizes Schenectady County to Provide a Property Tax Rebate

A.5346-A (Santabarbara); Chapter 489 of the Laws of 2023

This law authorizes Schenectady County to enact a local law to provide a taxpayer assistance rebate payment to its property owners. Such rebate payment will not exceed \$250, and the taxpayer must receive STAR benefits to qualify.

Amending Tax Foreclosure Proceedings within Real Property Tax Law

A.5607 (Williams); Reported to Ways and Means

This legislation would ensure that any surplus funds resulting from a tax foreclosure proceeding and resulting sale, after the municipality and other lien holders are made whole, shall be returned to the prior owner of the property.

Authorizes a Residential Improvement Exemption in the City of Norwich

A.5898-B (Angelino); Passed Assembly

This legislation would authorize a residential property improvement exemption for the City of Norwich relating to construction improvements.

Excludes New York City from Requiring PILOT Agreements to Notify the Department of Finance When There is a Change in Such Agreement

A.5969 (Williams); Chapter 565 of the Laws of 2023

This law exempts New York City payment in lieu of taxes (PILOT) agreements from having to provide notice to the Department of Finance when there is a change in the agreement.

Authorizes the City of Troy to Accept a Certain Retroactive Tax Exemption Application

A.7270 (McDonald); Passed Assembly

A.7271 (McDonald); Passed Assembly

These pieces of legislation would authorize the assessor of the City of Troy to accept retroactive applications exemption from Hillside Redevelopment Associates pursuant to Private Housing Finance Law (PHFL) section 125.

Limiting Shifts Between Property Classes in Nassau County

A.7254 (Lavine); Chapter 488 of the Laws of 2023

This law limits the shift between property tax classes in Nassau and Suffolk counties to no more than one percent from fiscal years 2023 to 2024.

Limiting Shifts Between Property Classes in the Town of Orangetown

A.7398 (Zebrowski); Chapter 309 of the Laws of 2023

This law limits the shift between property tax classes in the Town of Orangetown to no more than one percent from fiscal years 2023 to 2024.

Limiting Shifts Between Property Classes in the Town of Clarkstown

A.7399 (Zebrowski); Chapter 310 of the Laws of 2023

This law limits the shift between property tax classes in the Town of Clarkstown to no more than one percent from fiscal years 2023 to 2024.

Establishes an In-Rem Foreclosure Moratorium

A.7763 (Hunter); Passed Both Houses

This law would impose a temporary statewide tax foreclosure moratorium for certain tax districts that have acquired real property through an in-rem tax foreclosure proceeding. The moratorium would continue until June 30, 2024, following the United States Supreme Court decision, Tyler v Hennepin County, which ruled that it is unconstitutional for local governments to retain the net surplus proceeds after the sale of a tax-delinquent property instead of providing it to the former owner. The moratorium would not apply to property sales between May 25, 2023, and July 1, 2023, under certain conditions.

III. LEGISLATION- REAL PROPERTY TAX RELIEF PROGRAMS

Amends the Residential-Commercial Exemption Program

A.120 (Magnarelli); Reported to Ways and Means

This legislation would amend the residential-commercial urban exemption program. It amends what commercial entities fall under the definition of "commercial purposes or use," increases the percentage of the building required for residential purposes to 50%, and specifies that only square footage existing above grade shall be used in determining the building's percentage of residential to commercial space. Additionally, at least 75% of the floor area of the mixed-use property must consist of the pre-existing building or structure, and the portion used for commercial purposes must currently be used as such or in "good faith contemplated." Land may have been vacant before the residential or commercial construction work.

Authorizes Municipalities to Offer 100% Veterans Exemptions for Certain Veterans

A.2965-A (Pheffer-Amato); Reported to Ways and Means

This legislation would allow municipalities to offer a full exemption from real property taxation for veterans who have a 100% service-connected disability. To be eligible, the veteran must be permanently and totally disabled due to military service, rated 100% disabled and individually unemployable by the United States Dept. of Veterans Affairs, and be eligible for pecuniary assistance from the government.

Expands Eligibility for the Alternate Veterans Exemption

A.3381-A (Woerner); Chapter 611 of the Laws of 2023

This law allows a veteran to receive the Alternate Veterans Exemption if they (1) served in active military service for the period of time they were obligated to serve; (2) the individual was not discharged or released from service due to intervening enlistment or reenlistment; (3) the individual would have been eligible for discharge otherwise; and (4) the individual served for a period of 10 years provided that they meet the other qualifications under this section.

Amends Definition of Income within the School Tax Assessment Relief (STAR) Program

A.5477-A (McDonald); Passed Both Houses

This legislation would amend the definition of income within the STAR program to exclude earnings from working as an election inspector, poll clerk, or election coordinator.

Amends and Extends New York City Solar Abatement

A.6113-B (Carroll); Chapter 485 of the Laws of 2023

This law amends and extends the solar generating and storage systems tax abatement in New York City. The bill would extend the program to January 1, 2036. The bill would additionally combine the solar generating and storage systems incentives into a single abatement.

Extends the Senior Citizen Rent Increase Exemption (SCRIE) and Disabled Rent Increase Exemption (DRIE) Rent Freeze in New York City

A.7394 (Glick); Chapter 232 of the Laws of 2023

This law extends Chapter 687 of the Laws of 2022, extending the rent freeze for SCRIE/DRIE recipients until March 31, 2024.

Clarifying the Definition of Income within Certain Exemptions in New York City

A.7665 (Taylor); Chapter 276 of the Laws of 2023

This law authorizes New York City to grandfather in the prior definition of income for the SCRIE, DRIE, SHE, and DHE exemption programs, for existing property owners in New York City only, to ensure current program recipients do not lose benefits as a result of the new "income" definition resulting from changes made to these programs in the enacted budget.

Amends and Extends the New York City J-51 Program

A.7758 (Braunstein); Chapter 536 of the Laws of 2023

This law makes various tenant protection, affordability, and administrative related changes to the New York City J-51 program and extends the program to June 30, 2027.

IV. NOT-FOR-PROFIT RETROACTIVE REAL PROPERTY TAX EXEMPTIONS

Assessors in several jurisdictions were authorized to accept real property tax exemption applications after the applicable taxable status date for certain properties 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)
45	A.1007	Bellmore Fire District	Nassau
46	A.1008	Mineola Union Free School District	Nassau
104	A.2208	Bais Torah U'tefillah	Nassau
378	A.2756-A	East Islip Fire District	Islip
381	A.3451	Ruth AME Zion Church	Brookhaven
388	A.5326-A	Vineyard Christian Fellowship South Shore, Inc.	Nassau
400	A.6129-A	Gold Coast Public Library District	Nassau
403	A.6693	Spectrum Designs Foundation, Ltd	Mount Pleasant
427	A.3316-B	Jamesport Fire District	Riverhead
432	A.5298	World Restoration Center, Inc	Nassau
436	A.3486-A	Al-Muneer Foundation, Inc.	Brookhaven
443	A.6426-B	New York Jesus Baptist Church	Nassau
445	A.5844-B	De Bethesda Eglise	Brookhaven
449	A.6728	Torah Ohr Hebrew Academy	Nassau
451	A.4048-B	Grace Gospel Church of Suffolk	Brookhaven
452	A.6098	Shulamith School for Girls	Nassau
453	A.6689-A	Chabad of Islip Township	Islip
454	A.6915	Word of Truth Church, Inc.	Brookhaven
455	A.2753-A	Bais Tefila of Inwood	Nassau

456	A.6916-A	United Church of God Seventh Day	Nassau
460	A.7285-B	East Meadow Fire District	Nassau
461	A.6690-A	North Shore Land Alliance, Inc.	Nassau
464	A.7458-C	Sister Servants of Mary Immaculate Inc.	Ramapo

V. OUTLOOK FOR 2024

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 2024, the Committee will continue to review and consider legislation that will improve the real property taxation and assessment system by implementing real property tax relief, improved assessment practices, and real property tax exemptions:

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 2024, 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 100 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.

2023 SUMMARY SHEET

APPENDIX A

COMMITTEE SUMMARY

TOTAL NUMBER OF COMMITTEE MEETINGS HELD 5

BILLS REPORTED FAVORABLE TO:	<u>ASSEMBLY</u> <u>BILLS</u>	<u>SENATE</u> <u>BILLS</u>	<u>TOTAL</u> <u>BILLS</u>
Codes	0	0	0
Judiciary	0	0	0
Ways and Means	43	0	43
Rules	0	0	0
Floor	0	0	0
TOTAL	43	0	43

COMMITTEE ACTION			
Held For Consideration	3	0	3
Defeated	0	0	0
Enacting Clause Stricken	3	0	3
REMAINING IN COMMITTEE	151	15	166

BILLS REFERENCE CHANGED TO:			
Ways and Means			
TOTAL	13	0	13

DISTRIBUTION: Clerk of the Assembly (1), Program & Committee Staff Library (1), Committee File (1), Speaker's Counsel (1)

APPENDIX B
2023 ENACTED REAL PROPERTY TAXATION LEGISLATION

Chapter No.	Bill No.	Sponsor	Description
45	A.1007	McDonough	Amends the authorizing section to 410 of the Real Property Tax Law.
46	A.1008	Ra	Amends the authorizing entity to the Nassau County legislature.
104	A.2208	Williams	Amends the authorizing entity to the Nassau County legislature.
147	A.4972-A	Braunstein	Extends the co-op and condo abatement through 2026.
232	A.7394	Glick	Extends the rent freeze for SCRIE/DRIE recipients until March 31, 2024.
276	A.7665	Taylor	Authorizes NYC to grandfather in the prior definition of income for the SCRIE, DRIE, SHE, and DHE exemption programs, in NYC only, to ensure current program recipients do not lose benefits as a result of the new "income" definition resulting from the budget.
309	A.7398	Zebrowski	Limits the shifts between homestead and non-homestead property classes of no more than 1% per year in the Town of Orangetown, County of Rockland, for the 2023-2024 assessment roll.
310	A.7399	Zebrowski	Limits the shifts between homestead and non-homestead property classes of no more than one percent per year in the Town of Clarkstown, County of Rockland. This law extends the limit in shifts in between property classes of taxable real property in Clarkstown, Rockland County, for the 2023-2024 assessment rolls.
347	A.3327-A	Weprin	Limits the tax shifts between the property classes in NYC. This law provides that in a special assessing unit which is a city, for current base proportions to be determined in such special assessing unit's fiscal year 2024, the percent increase of the current base proportion of any class, such increase shall be no more than 5% percent and be determined by November 1st, 2023.
378	A.2756-A	Gandolfo	Authorizes the assessor in the Town of Islip to accept a tax exemption application from East Islip Fire District.
381	A.3451	DeStefano	Authorizes the assessor in the Town of Brookhaven to accept a tax exemption application from Ruth AME Zion Church.

388	A.5326-A	Curran	Authorizes the assessor of Nassau County to accept a tax exemption application from the Vineyard Christian Fellowship South Shore, Inc.
400	A.6129-A	Blumencranz	Authorizes the assessor of Nassau County to accept a tax exemption application from the Gold Coast Public Library.
403	A.6693	Shimsky	Authorizes the assessor of Mount Pleasant to accept a tax exemption application from Spectrum Designs Foundation, Ltd.
427	A.3316-B	Giglio	Authorizes the assessor in the Town of Riverhead to accept a tax exemption application from Jamesport Fire District.
432	A.5298	Lavine	Authorizes the assessor in Nassau County to accept a tax exemption application from World Restoration Center, Inc.
436	A.3486-A	DeStefano	Authorizes the assessor in the Town of Brookhaven to accept a tax exemption application from Al-Muneer Foundation, Inc.
443	A.6426-B	Ra	Authorizes the assessor of Nassau County to accept a tax exemption application from the New York Jesus Baptist Church.
445	A.5844-B	DeStefano	Authorizes the assessor in the Town of Brookhaven to accept a tax exemption application from De Bethesda Eglise.
449	A.6728	Sillitti	Authorizes the assessor of Nassau County to accept a tax exemption application from the Torah Ohr Hebrew Academy.
451	A.4048-B	Gandolfo	Authorizes the assessor in the Town of Brookhaven to accept a tax exemption application from Grace Gospel Church of Suffolk, Inc.
452	A.6098	Brown E	Authorizes the assessor of Nassau County to accept a tax exemption application from the Shulamith School for Girls.
453	A.6689-A	Gandolfo	Authorizes the assessor in the Town of Islip to accept a tax exemption application from the Chabad of Islip.
454	A.6915	DeStefano	Amends the authorizing section to 420-a of the Real Property Tax Law.
455	A.2753-A	Brown E	Authorizes the assessor of Nassau County to accept a tax exemption application from Bais Tefila of Inwood.
456	A.6916-A	Curran	Authorizes the assessor of Nassau County to accept a tax exemption application from the United Church of God Seventh Day.
460	A.7285-B	Mikulin	Authorizes the assessor of Nassau County to accept a tax exemption application from the East Meadow Fire District.

461	A.6690-A	Blumencranz	Authorizes the assessor of Nassau County to accept a tax exemption application from the North Shore Land Alliance, Inc.
464	A.7458-C	Brabenec	Authorizes the assessor in the Town of Ramapo to accept a tax exemption application from the Sister Servants of Mary Immaculate, Inc.
485	A.6113-B	Carroll	Amends and extends the solar generating and storage systems tax abatement. The bill would extend the program to January 1, 2036.
488	A.7254	Lavine	Limits the amount of property tax shift between homestead/non-homestead and class share apportionment based on the 2023-2024 assessment roll, not to exceed 1%, for local governments within and including Nassau County and homestead/non-homestead apportioned local governments within Suffolk County (Town of Islip).
489	A.5346-A	Santabarbara	Authorizes Schenectady County to enact a local law to provide a taxpayer assistance payment. The rebate would not exceed \$250 and the taxpayer would have to receive STAR to qualify.
536	A.7758	Braunstein	Makes various tenant protection, affordability, and administrative related changes to the New York City J-51 program and extends the program to June 30, 2027
552	A.5036	Eichenstein	Requires New York City to reduce the interest accrued on charges by the Department of Health for services performed between January 21, 1997, and November 9, 1999 on a certain property in Brooklyn.
565	A.5969	Williams	Exempts New York City payment in lieu of taxes (PILOT) agreements from having to provide notice to the Department of Finance when there is a change in the agreement.
611	A.3381-A	Woerner	This law allows a veteran to receive the Alternate Veterans Exemption if they (1) served in active military service for the period of time they were obligated to serve; (2) the individual was not discharged or released from service due to intervening enlistment or reenlistment; (3) the individual would have been eligible for discharge otherwise; and (4) the individual served for a period of 10 years provided that they meet the other qualifications under this section.

APPENDIX C
2023 REAL PROPERTY TAX LEGISLATION - PASSED ASSEMBLY
ONLY

Bill No.	Sponsor	Description
A.2725	Brown E	The bill would authorize the assessor of Nassau County to accept an application for a tax exemption from the Congregation Beis Medrash of Lawrence.
A.4245	McDonough	The bill would authorize the assessor of Nassau County to accept an application for a tax exemption from the Maimonides Educational Center.
A.4674-A	Fahy	This bill would authorize the City of Albany to extend the taxable status date for a maximum of 60 days.
A.6203	McDonough	This bill would authorize the assessor of Nassau County to accept an application for a tax exemption from the Friendship Engine and Hose Company.
A.7006-B	Brabenec	This bill would authorize the assessor of Ramapo to accept an application for a tax exemption from the Congregation Khal Bais Usher/RSK.
A.7041-A	Sillitti	The bill would authorize the assessor of Nassau County to accept an application for a tax exemption from the Saddle Rock Minyan.
A.7270	McDonald	The bill would authorize the assessor of Troy to accept an application for a tax exemption from Hillside Redevelopment Associates under PHFL section 125.
A.7271	McDonald	The bill would authorize the assessor of Troy to accept an application for a tax exemption from Hillside Redevelopment Associates under PHFL section 125.