



OFFICE OF COUNSEL

SUMMARY OF 2024 REAL PROPERTY TAX LEGISLATION

This publication summarizes noteworthy 2024 legislation related to real property tax administration. These descriptions are intended only as a source of general information about the key elements of the new laws. For a more complete and authoritative account of what these new laws do, the best resource is, of course, the laws themselves. As used herein, "RPTL" means the Real Property Tax Law and "Tax Department" means the Department of Taxation and Finance.

EXEMPTION ADMINISTRATION

Agricultural assessments; Cannabis as a crop

□ Chapter 605 (A.1234) • Agriculture and Markets Law § 301(2)(m)

Chapter 605 expands the definition of "crops, livestock and livestock products" for purposes of the agricultural assessment program to include cannabis. As a result, sales of cannabis may count towards the "gross sales" threshold (generally \$10,000) required for an agricultural operation to qualify for the agricultural exemption. Upon signing this measure into law, the Governor issued an Approval Message (# 47), a copy of which appears below.

Climate change property tax relief act

□ Chapter 673 (S.7515-a) • RPTL § 467-n

Chapter 673 generally authorizes a local option tax relief for certain properties that have been damaged by natural or human-caused disasters, retroactive to January 1, 2020. Upon signing this measure into law, the Governor issued an Approval Message (# 96), a copy of which appears below. As that Approval Message indicates, amendments to this legislation are expected, so a description of the program will be provided at a later time.

Disabilities; Workers compensation award letters

□ Chapter 6 (A.8532) • RPTL § 459-c

Chapter 6 modifies recent changes to the exemption for persons with disabilities. In 2023, legislation was enacted (Chapter 757) that expanded the allowable forms of proof of disability to include Workers Compensation Board award letters based on either permanent total disability or permanent partial disability. That law was amended in 2024 (Chapter 6) to give municipal corporations the option to adjust exemption percentages for exemptions based on permanent partial disability by applying an "adjustment percentage" of no less than 50% and no more than 100%. There is no such option for exemptions based on permanent total disability.

Disabilities; Special needs trusts and tenants with life interests

□ Chapter 209 (S.8903) • RPTL § 459-c

Chapter 209 modifies the exemption for persons with disabilities authorized under RPTL § 459-c by recognizing two new categories of eligible owners. More specifically, it allows the exemption to be granted if the property is owned either by "a person with a disability who has their primary residence in a special needs trust," or by "a property owner who has a tenant with a disability whose lease provides them with a life interest in the property as long as the tenant

remains in residence.” These new categories apply to all municipal corporations that have opted (or should opt in the future) to offer the § 459-c exemption.

Housing; Rental multiple dwellings

□ Chapter 56 (S.8306-c), Part EE • RPTL §§ 421-p and 421-pp

Chapter 56 (S.8306-c), Part EE, enacts two local option exemption programs to incentivize the development of affordable rental housing outside New York City. Both programs only apply in a city, town, or village that has adopted a local law providing an exemption from taxation and special ad valorem levies for the construction or conversion of rental multiple dwellings located within a designated benefit area defined by local law. If a city, town, or village authorizes the exemption, a county or school district in which the designated benefit area is located may also authorize the exemption.

The primary eligibility requirements for the rental housing incentive program authorized by new RPTL § 421-p are: (a) the property must contain 10 or more dwelling units that are all rented for residential purposes, (b) at least 25% of the units must meet the applicable affordability criteria; (c) any new construction must take place on vacant, predominantly vacant or under-utilized land, or on land containing a structure that is non-conforming, substandard, unsound or unsanitary, and (d) building service employees must receive the applicable prevailing wage (unless an exception applies). Eligible property is wholly exempt while under construction, for up to three years. After that, it is partially exempt for another 25 years, with the exemption starting at 96% and decreasing by 4% each year thereafter. However, taxes must be paid during the exemption period in an amount at least equal to the taxes paid on such land and any improvements thereon during the tax year before the exemption began. Property may not receive any other exemption while receiving this exemption. (Note that this RPTL § 421-p is distinct from the RPTL § 421-p enacted by Chapter 56, Part GG, which is discussed below.)

The second rental housing incentive program, which is authorized by new RPTL § 421-pp, is broadly similar to the § 421-p program described above, except that: (a) this program applies where all (i.e., 100%) of the units meet the applicable affordability requirements, (b) the post-construction exemption in these cases lasts for 30 years, with the taxes payable during that period being specified by local law (subject to a cap of 10% of the shelter rent), and (c) building service workers in these properties need not be paid the prevailing wage.

Housing; Accessory dwelling units

□ Chapter 56 (S.8306-c), Part GG • RPTL § 421-p

Chapter 56 (S.8306-c), Part GG enacts a local option exemption program to incentivize adding one or more accessory dwelling units to a pre-existing one or two family residence. The resulting increase in the assessed value of eligible property is fully exempt for five years and then partially exempt over the next five years in decreasing percentages (75%, 50%, 25%, 15% and 5%). However, the exemption only applies where the increase in value is at least \$3,000 and is subject to a cap of \$200,000 in “increased market value”. A municipality that opts to offer the exemption may also opt to decrease the exemption percentages and/or limit eligibility to specified forms of reconstruction, alterations, improvements or new construction. Property may not receive any other exemption while receiving this exemption. In addition, the exemption ends if the unit is no longer used for residential purposes or if the property is sold. (Note that this RPTL § 421-p is distinct from the RPTL § 421-p enacted by Chapter 56, Part EE, which is discussed above.)

Housing; New York Housing for Future Homeownership and Rental Housing Program

□ Chapter 56 (S.8306-c), Part KK • Private Housing Finance Law, Article 32

Chapter 56 (S.8306-c), Part KK enacts a new program to incentivize the development of owner-occupied and rental housing. Insofar as real property tax administration is concerned, this legislation provides that housing projects developed under this program are eligible for property tax exemption to the same extent as projects developed under Article 11 of the Private Housing Finance Law (which applies to Housing Development Fund Companies).

Residential capital improvements; Carbon emissions

Chapter 590 (S.9688) • RPTL § 421-q

Chapter 590 gives counties, cities, towns, villages and school districts the option to provide an exemption to improvements to owner-occupied residential property for two or fewer families that reduce greenhouse gas emissions. The term of the exemption is limited to 20 years, during which eligible improvements would be 100% exempt for 10 years, and then partially exempt for the following ten years, with the exemption percentages declining by 10% a year (e.g. 90% in year 11, 80% in year 12, etc.). Eligible improvements include the replacement, repair, or installation of new heating, cooling, or hot water systems, the installation of solar, energy storage, and other mechanisms to offset use of energy from the electrical grid, the replacement or installation of insulation, the replacement or installation of thermostats, the installation of energy efficient appliances, fixtures, or lighting, and the repair, replacement, or modification of electrical systems and associated wiring. A municipality that opts to offer the exemption may further opt to reduce the exemption percentages and/or limit or expand the types of eligible improvements. The exemption ends if the property ceases to be used primarily for residential purposes or is transferred to someone other than the owner's heir or distributee.

Volunteer firefighters and ambulance workers; Neighboring municipalities

Chapter 372 (S.2862-a) • RPTL § 466-l

Chapter 372 modifies the residency requirements of the exemptions for volunteer firefighters and ambulance workers under RPTL §§ 466-a through 466-k by giving a city, village, town, county and school district that offers the exemption the option to extend the exemption to a volunteer firefighters and ambulance workers who provides volunteer services to a neighboring city, village, town, county or school district.

Retroactive exemptions for specific properties

In certain assessing units, the assessor has been authorized to accept an exemption application after taxable status date for a specific parcel owned by a named nonprofit or governmental entity that either acquired the parcel after taxable status date, or acquired title but failed to apply for the exemption by taxable status date.

TAX COLLECTION AND ENFORCEMENT

Tax bills; Installment payments

Chapter 373 (S.3604-a) • RPTL § 922

Chapter 373 amends RPTL §§ 922, 974 and 1338 to provide that where an owner has elected to pay their taxes in installments pursuant to RPTL Articles 9 or 13, the owner's tax bill shall set forth the dates on which the installments may be paid without interest or penalties.

Tax foreclosure surplus

Chapter 55 (A.8805-c), Part BB • RPTL Article 11 and §§ 467, 922

Chapter 55, Part BB, revises the State's property tax enforcement laws to generally provide that when tax-delinquent property is sold, any excess proceeds shall be returned to the former owner or owners, and where appropriate, to lienors. Previously, most tax districts had retained

surplus, but that practice was rendered untenable by a recent decision of the United States Supreme Court, *Tyler v. Hennepin County, Minnesota*, 598 U.S. 631 (2023). The legislation also attempts to provide greater protections to homeowners, in some cases by requiring new information to be placed on tax bills or related notices. For example, the statement that goes on tax bills to advise taxpayers of the existence of the senior citizens exemption has been reworded to advise them of the existence of the disability and veterans exemptions as well. The same change has also been made to the “second notice” that is sent 30 days before taxable status date (see RPTL § 467(4) as amended by L.2022, Chap.738). In addition, the new law requires information about the availability of credit counseling to appear on various post-billing notices, such as notices of arrears.

MISCELLANEOUS

Judicial Security Act

□ Chapter 55 (A.8805-c), Part F • Judiciary Law § 859

Chapter 55, Part F, enacts a “Judicial Security Act” to improve the safety and security of judges and their immediate families. Insofar as real property tax administration is concerned, it generally obliges a local government to remove from its website and other publicly-accessible data sources the “personal information” (such as home address) of a judge and/or a judge’s family member within 72 hours of receiving a properly submitted request. A local government that fails to comply with such a request in a timely manner may be subject to a fine of up to \$1000 plus court costs and reasonable attorney’s fees.

Transparency in Local Economic Development Act

□ Chapter 58 (A.8808-c), Part SS • Public Authorities Law §§ 8 and 2829

Chapter 58, Part SS, enacts two measures to enhance the transparency of local economic development programs. Subpart A provides for the Authorities Budget Office to establish a searchable database of local authority subsidies and economic development benefits. Property tax exemptions and PILOT amounts are among the data elements to be included in this database. Subpart B generally provides that public authorities and their subsidiaries are subject to the requirements of the Freedom of Information and Open Government laws.

Transfer on Death Deeds

□ Chapter 56 (S.8306-c), Part O, § 12 • Real Property Law § 424

Chapter 56, Part O, § 12, authorizes the use of “transfer on death deeds” in New York State. If a property owner executes such a deed in the manner set forth in the law and does not revoke it, then upon the owner’s death the property will be transferred to the beneficiary or beneficiaries named in the deed without the need for probate. These types of deeds may be recorded in the same manner as other types of deeds, except that they do not need to be accompanied either by a Form RP-5217 or a Form TP-584.

Public meetings; Remote attendance and access

□ Chapter 58 (A.8808-c), Part KK • Public Officers Law § 103-a

Chapter 58, Part KK, extends until July 1, 2026 the ability of public bodies to use videoconferencing to conduct open meetings under extraordinary circumstances.

Legislation of local interest

Enactments that are primarily of local interest include the following:

- In the ORPTS Western Region:
 - The residential-commercial exemption applicable in the Counties of Steuben and Livingston has been extended (S.9753, Chap. 288).
- In the ORPTS Central Region:
 - The City of Norwich has been authorized to offer a residential investment exemption (S.5779-e, Chap. 653)
- In the ORPTS Northern Region:
 - The City of Albany has been temporarily authorized to extend its taxable status date by up to 90 days (A.4674-a, Chap. 556)
- In Westchester and Rockland Counties:
 - The Town of Scarsdale has been authorized to refund interest and penalties to property owners who paid their taxes late due to the non-delivery of their bills by the United States Postal Service (A.9946, Chap. 323)
 - The City of Mount Vernon has been authorized to offer installment payment plans on terms that only apply in that city (S.9047, Chap. 397).
 - The formula for determining current base proportions in the Towns of Clarkstown and Orangetown has been modified for another year (A.9455 & S.9704, Chaps. 130 & 193).
- In Nassau and Suffolk Counties:
 - The laws governing Nassau County's current assessment calendar have been extended for another two years (A.9580, Chap. 136).
 - Nassau County's authority to retroactively exempt property of the federal Maritime Administration has been clarified (A.8538, Chap. 82)
 - The Northport-East Northport Union Free School District has been authorized to establish a power plant tax assessment reserve fund (A.6310-a, Chap. 467).
 - Members of the East Hampton Volunteer Ocean Rescue and Auxiliary Squad and the Southampton Village Ocean Rescue Squad have been made eligible for the exemption authorized by RPTL § 466-a (A.1353-a & A.1640-a, Chaps. 606 & 607; *see also* Approval Messages ## 48 and 49, below).
 - The Town of Southampton has been authorized to adopt a homestead exemption (S.2094-a, Chap. 645; *see also* Approval Message # 76, below)
 - The formula for determining current base proportions in Nassau County and in approved assessing units in both Nassau and Suffolk counties has been modified for another year (S.9486, Chap. 192).
- In New York City:
 - An "Affordable Housing from Commercial Conversions" (AHCC) program has been enacted (S.8306-c, Chap. 56, Pt. R).
 - An "Affordable Neighborhoods for New Yorkers" (ANNY) program has been enacted (S.8306-c, Chap. 56, Pt. U).
 - The § 421-a construction completion deadline has been extended and an auditing component has been added (S.8306-c, Chap. 56, Pts. T and JJ).
 - The Green Roof Tax Abatement has been amended (S.6409-a, Chap. 154).
 - The Industrial and Commercial Abatement Program (ICAP) has been extended (S.9822, Chap. 332).
 - The income eligibility requirements for NYC residents under the Senior Citizens, Disability, SCRIE and DRIE exemptions have been modified (S.9785, Chap.592).
 - The temporary increase to the income limits for the SCRIE and DRIE programs has been extended (A.10141, Chap. 144).
 - The formula for determining current base proportions in NYC has been modified for another year (S.9278, Chap. 210).

GOVERNORS' APPROVAL MESSAGES

APPROVAL MEMORANDUM - No. 47 Chapter 605

MEMORANDUM filed with Assembly Bill Number 1234, entitled:

"AN ACT to amend the agriculture and markets law, in relation to expanding the definition of crops, livestock and livestock products to include cannabis"

APPROVED

This bill would clarify and include cannabis specifically in the definition of "crops, livestock and livestock products" for the purposes of the Agriculture and Markets Law.

While most consumers understand cannabis is a crop, the laws of New York required clarification to ensure this fact is established in statute. Technical changes were necessary to specify that only cannabis lawfully cultivated pursuant to the Cannabis Law would be eligible for the agricultural assessment.

I have reached an agreement with the Legislature to enact these changes. On the basis of this agreement, I am pleased to sign this bill.

This bill is approved.

(signed) KATHY HOCHUL

APPROVAL MEMORANDUM - No. 48 Chapter 606

MEMORANDUM filed with Assembly Bill Number 1353-A, entitled:

"AN ACT in relation to the eligibility of enrolled members of Southampton Village Ocean Rescue for a tax exemption on real property"

APPROVED

This bill authorizes a property tax exemption for enrolled members of Southampton Village Ocean Rescue, provided two conditions are met. First, the Southampton Village Town Board must officially designate this rescue squad as an emergency rescue and first aid squad. Second, the governing body of the village, town, county, or school district within which the property is located must opt to allow the exemption.

This bill required several technical fixes before it could be signed into law.

I have reached an agreement with the Legislature to enact these changes. On the basis of this agreement, I am pleased to sign this bill.

This bill is approved.

(signed) KATHY HOCHUL

APPROVAL MEMORANDUM - No. 49 Chapter 607

MEMORANDUM filed with Assembly Bill Number 1640-A, entitled:

"AN ACT in relation to the eligibility of enrolled members of the East Hampton Volunteer Ocean Rescue and Auxiliary Squad for a tax exemption on real property"

APPROVED

This bill authorizes a property tax exemption for enrolled members of East Hampton Volunteer Ocean Rescue, provided two conditions are met. First, the East Hampton Town Board must officially designate this rescue squad as an emergency rescue and first aid squad. Second, the governing body of the village, town, county, or school district within which the property is located must opt to allow the exemption.

This bill required several technical fixes before it could be signed into law.

I have reached an agreement with the Legislature to enact these changes. On the basis of this agreement, I am pleased to sign this bill.

The bill is approved.

(signed) KATHY HOCHUL

APPROVAL MEMORANDUM - No. 76 Chapter 645

MEMORANDUM filed with Senate Bill Number 2094-A, entitled:

"AN ACT authorizing the town of Southamptton, county of Suffolk, to enact by a local law a homestead exemption"

APPROVED

This bill would authorize the town of Southamptton in Suffolk County to adopt a local law creating a homestead exemption. This exemption would reduce the assessed value of year-round residences by \$50,000 for property tax purposes.

This bill required several technical fixes before it could be signed into law.

I have reached an agreement with the Legislature to enact these changes. On the basis of this agreement, I am pleased to sign this bill.

This bill is approved.

(signed) KATHY HOCHUL

APPROVAL MEMORANDUM - No. 96 Chapter 673

MEMORANDUM filed with Senate Bill Number 7515-A, entitled:

"AN ACT to amend the real property tax law, in relation to enacting the climate change property tax relief act"

APPROVED

This bill authorizes a local option real property tax abatement for property damaged by natural and man-made disasters. The proposed abatement, if locally enacted, would be available to the owners of owner-occupied residential property with three or fewer dwellings that is damaged in a major disaster or local disaster.

I support efforts to address the impact of climate change, and provide resources to communities that too often bear the heaviest burden of climate-related disasters. However, technical amendments were necessary to enhance transparency and ensure proper implementation.

I have reached an agreement with the Legislature to enact these changes. On the basis of this agreement, I am pleased to sign this bill.

The bill is approved.

(signed) KATHY HOCHUL

GOVERNORS' DISAPPROVAL MESSAGES

VETO MESSAGE - No. 92

TO THE SENATE:

I am returning herewith, without my approval, the following bill:

Senate Bill Number 967-A, entitled:

"AN ACT to amend the real property tax law, in relation to delinquent tax interest rates"

NOT APPROVED

This bill would set property tax interest rates for unpaid residential taxes to the prime rate, as determined by the Tax Commissioner, with a minimum rate of 2% and maximum of 16%. The rate would apply uniformly across all local governments statewide, superseding any conflicting local provisions. Implementation would begin in 2025, with mandatory rate reviews occurring every five years thereafter.

I fully support making it more manageable and affordable for homeowners to pay off property tax debt while increasing the likelihood of local governments collecting unpaid taxes. This aligns with recent reforms enacted in the FY 24-25 budget that strengthened protections against improper tax foreclosures in response to *Tyler v. Hennepin*, 598 U.S. 631, 143 S. Ct. 1369 (2021) helping prevent vulnerable homeowners from losing their homes due to excessive tax debt. However, this bill would pose a risk to the financial stability of local governments, and should therefore be discussed in the context of the State budget negotiations for the upcoming fiscal year.

Therefore, I am constrained to veto this bill.

The bill is disapproved.

(signed) KATHY HOCHUL

VETO MESSAGE - No. 109

TO THE SENATE:

I am returning herewith, without my approval, the following bill:

Senate Bill Number 9059, entitled:

"AN ACT to amend chapter 602 of the laws of 1993 amending the real property tax law relating to the enforcement of the collection of delinquent real property taxes and to the collection of taxes by banks, in relation to the enforcement of the collection of taxes in villages"

NOT APPROVED

This bill seeks to amend the Tax Law to extend the authority for villages to hold annual tax lien sales as a means of enforcing collection of delinquent taxes for an additional three years until 2027.

The recent Supreme Court ruling in *Tyler v. Hennepin County, Minnesota*, 598 U.S. 631, 143 S. Ct. 1369 (2021), challenged New York's existing property tax enforcement laws, prompting changes to the law in last year's budget. Specifically, Part BB of the budget addressed the core issue of this bill by updating the law surrounding the surplus distribution in property in property tax enforcement proceedings. This bill aims to exempt villages using pre-Article 11 enforcement procedures from these new laws, potentially leaving constitutionally questionable practices intact.

Therefore, I am constrained to veto this bill.

The bill is disapproved.

(signed) KATHY HOCHUL

VETO MESSAGE - No. 135

TO THE SENATE:

I am returning herewith, without my approval, the following bill:

Senate Bill Number 8978-A, entitled:

"AN ACT to amend the real property tax law, in relation to providing an exemption against certain fiber optic cable assessments for municipal fiber optic broadband companies in Erie County; and providing for the repeal of such provisions upon expiration thereof"

NOT APPROVED

This bill would require counties, cities, towns, villages, school districts, and other local taxing jurisdictions, to exempt the property of an Erie County fiber optic broadband company from property taxes.

I am a strong proponent of expanding broadband access throughout New York State, and have expanded affordability initiatives such as the Affordable Housing Connectivity Program. I have invested over \$354.7 million in public broadband infrastructure across six regions, including in Western New York. While I cannot sign this legislation due to technical issues with the language, I remain open to future action to expand broadband access across New York.

Therefore, I am constrained to veto this bill.

The bill is disapproved.

(signed) KATHY HOCHUL

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