

NEW YORK STATE ASSEMBLY

ANNUAL REPORT

2020



COMMITTEE ON
REAL PROPERTY TAXATION

CARL E. HEASTIE
SPEAKER

SANDRA R. GALEF
CHAIR



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, 2020

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 2020 Annual Report of the Assembly Standing Committee on Real Property Taxation. This 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 2020, the Committee met four times and reported twenty 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. Additionally, the Committee held a hearing in January to discuss the changes made to the STAR Program in the 2019-2020 New York State Budget.

In 2021, 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, examine the effects of real property tax exemptions, and examine how best to 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 2021.

Sincerely,

A handwritten signature in cursive script that reads "Sandra R. Galef".

Sandra R. Galef, Chairperson
Real Property Taxation Committee

2020 STANDING COMMITTEE ON

REAL PROPERTY TAXATION

SANDRA R. GALEF, CHAIRPERSON

MEMBERS of the COMMITTEE

MAJORITY

Brian Barnwell
Inez E. Dickens
Simcha Eichenstein
John T. McDonald III
Victor M. Pichardo
Daniel Rosenthal
Nader J. Sayegh

MINORITY

Brian D. Miller- Ranking Member
Chris Tague

COMMITTEE STAFF

Dallas Trombley, Assistant Secretary for Program and Policy
Christopher Greenidge, Associate Counsel
Matthew Henning, Legislative Analyst
Rebecca Southard-Kreiger, Executive Director/Committee Clerk
Megan Bryne, Program and Counsel Secretary

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I. LEGISLATION – GENERAL ADMINISTRATIVE

Allowing Municipalities to Derive Revenue from State-Owned Lands

A.8736 (Galef); Reported to Ways and Means

This bill would provide additional revenue to municipalities with state-owned lands within its jurisdiction by allowing the municipality to tax state-owned lands at a percentage of its assessed value, beginning in 2021 and ending in 2025. In 2021, the municipality would tax state-owned lands at 10% of its assessed value, 15% in 2022, 20% in 2023, 25% in 2024 and 30% in 2025.

Clarifying the New York Senior Citizen Program Exemption Application Process

A.8850 (McDonald); Passed Assembly

This legislation would clarify any future changes to the taxable status date of any taxing jurisdiction by ensuring that if the taxable status date is changed in the future to be on or after April 15, an applicant can use the previous year's tax return. This bill would not change the program but clarifies the process for participants.

Assessment Disclosure in NYC Tax Certiorari Challenges

A.3242 (Dickens); Reported to Codes

This bill would amend Section 714(2) of the Real Property Tax Law to require New York City to disclose to petitioners in tax certiorari proceedings the assessing method used, any capitalization rate used and any other data or formula used to determine the valuation of the real property. Such disclosure would be made upon the filing of an answer or notice of objection in such case by the respondent City.

Defining Dry Cask Storage Systems as Taxable Real Property

A.10398 (Galef); Chapter 385 of the laws of 2020

This chapter makes dry cask storage systems that store spent nuclear fuel at a decommissioned nuclear power plants real property, thereby making these structures subject to taxation by the local taxing jurisdiction. This ensures local governments do not lose significant tax revenue as a result of a nuclear power plant decommissioning within its jurisdiction.

Allowing Localities to Continue PILOT Agreements with Decommissioned Nuclear Power Plants

A.10107 (Galef); Chapter 386 of the laws of 2020

This chapter allows localities to enter into PILOT agreements with the owners of Nuclear Power Plants after the plant has been decommissioned. This chapter will alleviate local governments of litigating assessments of spent nuclear fuel structures by allowing the local government and the owners responsible for decommissioning to agree upon a PILOT.

II. LEGISLATION – REAL PROPERTY TAX RELIEF PROGRAMS

Creating a New York State Real Property Tax Exemption Task Force

A.3330A (Abinanti); Chapter 317 of the laws of 2020

This chapter creates a task force to examine all exemption programs in New York State. The goal of this tax force is to ensure tax exemption programs are not being abused by recipients at the expense of the local tax base. The task force will issue a report of its recommendations and findings to the legislature within one year of its establishment.

Exemption for Facilitating Accessibility Disabled Owners

A.8980 (Galef); Reported to Ways and Means

This amendment to Chapter 649 of 2020 ensured that residents who are eligible for the Persons with Physical Disabilities exemption pursuant to RPTL Section 459 are exempt from special ad valorem levies, which are charges that are imposed upon a property in the same manner as property taxes to defray the cost of a special district improvement or service, to the extent of any increase in value attributable to an improvement made to the property for accessibility purposes. The language contained in this bill was ultimately included in Chapter 55 of the laws of 2020, Part XX, Subpart E.

III. LEGISLATION – COVID SPECIFIC

Authorizing Municipalities to Defer Property Taxes/Allow Installment Payments

A.10252A (Stern); Chapter 389 of 2020

This bill allowed municipalities two separate options to provide relief to property owners affected by the pandemic. The municipality could: 1) enact a local law to defer the scheduled payment of property taxes due during the pandemic to a date no later than 120 days after the due date; or, 2) break any property tax payments due during the pandemic into as many installment payments as decided by the local taxing jurisdiction, as long as the final installment payment deadline is no later than 120 days after the original due date.

Extending the Deadline for the Filing of Abatement and Exemption Applications and Renewals

A.10241A (Hyndman); Chapter 92 of 2020

This chapter provided relief to property owners affected by the pandemic by extending the deadline for the filing of applications and renewal applications for real property tax abatement programs to July 15, 2020. Such applications are due on the taxable status date of the local taxing jurisdiction, which is March 15th in most taxing jurisdictions in New York State, when offices were closed for the purposes of social isolation.

Authorizing Municipalities to Place a Moratorium on Tax Foreclosures and Tax Lien Sales

A.10518 (Galef); ordered to third reading

This legislation would provide relief to property owners that are delinquent on their property taxes and facing foreclosure by allowing taxing jurisdictions to place a moratorium on all tax lien sales and tax foreclosures within such taxing jurisdiction. This would prevent property owners from losing ownership of their property due to financial hardship related to COVID-19. The provisions contained in this bill were ultimately included in Chapter 381 of the laws of 2020, Part B, subpart B.

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 (23 in all) owned by religious organizations, municipalities, educational institutions, and other nonprofit 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 nonprofit real property tax exemption under State Law. If the assessor determines that the nonprofit 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)
151	A8283A	Roosevelt Fire District	Nassau County
155	A10077	Community Mainstreaming Associates, Inc.	Nassau County
159	A10584	Lubavitch of Old Westbury	Nassau County
163	A10206	Chabad Lubavitch Chai Center, Inc	Town of Huntington
166	A10625A	Village of Patchogue	Town of Brookhaven
179	A10587	The Academy Charter School	Nassau County
187	A10221	Joshua Baptist Church	Town of Huntington
188	A8607	Beth El Synagogue Center	City of New Rochelle
189	A9145	Koinonia Primary Care, Inc.	City of Albany
191	A9606A	Uniondale Land Trust	Nassau County
195	A10335A	Community Mainstreaming Associates, Inc.	Nassau County
212	A10055	Hamaspik of Rockland County, Inc	Town of Ramapo
213	A10056	Hamaspik of Rockland County, Inc	Town of Ramapo
214	A10057	Hamaspik of Rockland County, Inc	Town of Ramapo
215	A10058	Hamaspik of Rockland County, Inc	Town of Ramapo

216	A10059	Hamaspik of Rockland County, Inc	Town of Ramapo
239	A10592	West Hempstead-Hempstead Garden Water District	Nassau County
240	A10589	Temple Beth El of Long Beach	City of Long Beach
245	A9814	Good Samaritan Hospital Medical Center	Town of Islip
274	A10097	Southern Tier Environments for Living Inc.	Nassau County
280	A10585	Eglise Baptiste Etolie du Matin	Nassau County
303	A10586	NGIP Inc.	Nassau County

V. PUBLIC HEARINGS

On January 14th, 2020, the Real Property Tax Committee held a hearing to discuss changes made to the STAR Program in the 2019-2020 New York State Budget. This hearing was conducted to examine these changes, including: capping annual growth in the STAR Exemption benefit at zero percent, lowering the basic STAR Income Limit to \$250,000 from \$500,000 (Exemption Program only), amending the STAR Income Verification Program to include age and residency verification for the Enhanced STAR Program, allowing disclosure of STAR-related information to assessors, clarifying the STAR check property tax bill notices, and improving the STAR administrative process to be more responsive to taxpayer needs. During the hearing, the Committee heard testimony on the issue of STAR benefits being provided to delinquent property owners. This testimony led the Committee to negotiate the inclusion of legislation in the 2020-21 Enacted Budget that would suspend Basic STAR benefits to property owners who are delinquent on their property taxes for at least one year until all past due property taxes are paid.

IV. OUTLOOK FOR 2021

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 2021, 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, and 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 2021, 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 - 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 left many real property owners struggling to pay their property tax bills; the committee studied and passed legislation to provide these taxpayers with property tax relief until they can financially recover from the pandemic. Equally as important was providing relief and options in regards to the collection of property taxes to localities that saw losses to their tax base. Enacting policies that struck an appropriate balance between these two needs was a main focus of the committee during the 2020 legislative session and will remain an important focus in 2021.

**VII. APPENDIX A
COMMITTEE SUMMARY**

TOTAL NUMBER OF COMMITTEE MEETINGS HELD 4

BILLS REPORTED FAVORABLE TO:	Asm. Bills	Sen. Bills	Total
Codes	1	0	1
Judiciary	0	0	0
Ways and Means	13	0	13
Rules	0	0	0
Floor	0	0	0
TOTAL	14	0	14
COMMITTEE ACTION			
Held For Consideration	36	0	36
Defeated	0	0	0
Enacting Clause Stricken	3	0	3
REMAINING IN COMMITTEE	225	11	236
BILLS REFERENCE CHANGED TO:			
Transportation 1			
Ways and Means 19			
TOTAL	20	0	20

APPENDIX B
2020 ENACTED REAL PROPERTY TAXATION LEGISLATION

Chapter No.	Bill No.	Sponsor	Description
92	A10241A	Hyndman	Provides municipalities with blanket authorization to extend filing deadlines to July 15, 2020
151	A8283A	Darling	Permits the Roosevelt Fire District to file an application for a retroactive real property tax exemption
155	A10077	McDonough	Authorizes Community Mainstreaming Associates, Inc. to receive retroactive real property tax exempt status
159	A10584	Ra	Authorizing the assessor of the county of Nassau, to accept from Lubavitch of Old Westbury, an application for exemption from real property taxes
163	A10206	Stern	Authorizes the assessor of the town of Huntington, county of Suffolk, to accept from Chabad Lubavitch Chai Center, Inc., an application for exemption from real property taxes
166	A10625	Garbarino	Relates to permitting the village of Patchogue to file an application for a real property tax exemption
179	A10587	Ra	Relates to authorizing the assessor of the county of Nassau, to accept from The Academy Charter School an application for exemption from real property taxes
187	A10221	Stern	Authorizes the assessor of the town of Huntington, county of Suffolk, to accept from the Joshua Baptist Church, an application for exemption from real property taxes
188	A8607	Paulin	Authorizes Beth El Synagogue Center to file an application for real property tax exemption
189	A9145	McDonald	Authorizes the assessor of the City of Albany to accept from the Koinonia Primary Care, Inc. an application for

			exemption from real property taxes
191	A9606A	Darling	Relates to permitting Uniondale Land Trust to file an application for certain real property tax exemptions
195	A10335A	Griffin	Authorizes the county of Nassau to accept an application for retroactive real property tax exemption from Community Mainstreaming Associates, Inc. for a certain parcel in the town of Hempstead
212	A10055	Jaffee	Relates to authorizing Hamaspik of Rockland County, Inc. to file with the town of Ramapo assessor an application for certain real property tax exemptions
213	A10056	Jaffee	Relates to authorizing Hamaspik of Rockland County, Inc. to file with the town of Ramapo assessor an application for certain real property tax exemptions
214	A10057	Jaffee	Relates to authorizing Hamaspik of Rockland County, Inc. to file with the town of Ramapo assessor an application for certain real property tax exemptions
215	A10058	Jaffee	Relates to authorizing Hamaspik of Rockland County, Inc. to file with the town of Ramapo assessor an application for certain real property tax exemptions
216	A10059	Jaffee	Relates to authorizing Hamaspik of Rockland County, Inc. to file with the town of Ramapo assessor an application for certain real property tax exemptions
239	A10592	Ra	Authorizes the county of Nassau to accept an application for retroactive real property tax exemption from the West Hempstead-Hempstead Garden Water District for a certain parcel in Hempstead
240	A10589	Miller ML	Authorizes the city of Long Beach to accept an application for retroactive real property tax exemption from the Temple Beth El of Long Beach for certain parcels in Long Beach
245	A9814	LiPetri	Authorizes the Good Samaritan Hospital Medical Center to file an application for a real property tax exemption

274	A10097	Darling	Authorizes the Town of Hempstead to grant Southern Tier Environments for Living Inc. a property tax exemption
280	A10585	Ra	Relates to authorizing the assessor of the county of Nassau, to accept from the Eglise Baptiste Etolie Du Matin an application for exemption from real property taxes
303	A10586	Mikulin	Relates to authorizing the Nassau county assessor to accept an application from NGIP, Inc. for a real property tax exemption
317	A3330A	Abinanti	Establishes a real property tax exemption task force
357	A8091A	Magnarelli	Amending the § 485-a property tax exemption for mixed-use development to better align the program to its original intent, which was to provide a property tax incentive for the rehabilitation of underutilized buildings
385	A10398	Galef	Includes certain spent nuclear fuel storage within the definition of real property
386	A10107	Galef	Allows for the payment in lieu of taxation agreements regarding nuclear powered electric generating facilities that formerly generated electricity using nuclear power

APPENDIX C

**2020 REAL PROPERTY TAX LEGISLATION - PASSED ASSEMBLY
ONLY**

Bill No.	Sponsor	Description
A8850	McDonald	Amends Real Property Tax Law section 467 (3)(a) to clarify 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 year for the income tax year immediately preceding the application