

INSTRUCTIONS FOR UPDATE

PART II: ASSESSOR'S MANUAL VOLUME 4 – SUMMARY OF REVISIONS AS OF 01/01/14

Section	Remove Pages/Forms	Add Pages	Statute	Description	Subject of Change Made
4.05	241.03 – 241.04 241.61 – 241.64 241.81 – 241.82	241.03 – 241.04 241.61 – 241.64 241.81 – 241.82	RPTL §420-a	Nonprofit Organization (Mandatory Class)	Property owned by educational institutions remains exempt when used for tax purposes of the START-UP NY program.
4.05	275.01 – 275.04	275.01 – 275.04	RPTL §452	Veterans Organization	Allows rental of property to non-exempt entities by local option.
4.06	337.01 – 337.02	337.01 – 337.02	RPTL §470	Green Buildings	Allows local option for setting a maximum exemption value.
4.06	375.01 – 375.06	374.01 – 374.06	RPTL §499-bbb	Green Roof Properties in New York City	Redefines “green roof” to include more plant cover types; extends program to 2019, with modifications.
4.07	415.01 – 415.08	415.01 – 415.08	RPTL §421-a	New Multiple Dwellings in New York City	Incentivizes certain multiple dwelling construction projects.
4.07	419.01 – 419.04	419.01 – 419.04	RPTL §421-d	Multiple Dwellings outside New York City Financed by NYS Housing Finance Agency	Exemption extended to July 23, 2015.
4.07	426.01 – 426.04	426.01 – 426.04	RPTL §467-a	Class 2 Cooperatives and Condominiums in New York City	Limits maximum number of dwelling units owned by a unit owner or tenant; modified abatement schedules, with certain phase-outs; qualifies certain trusts and added eligibility for certain other residential exemptions.
4.07	433.01 – 433.04	433.01 – 433.04	RPTL §489	Multiple Dwellings (Various Improvements)	Extends deadline for local legislative action to January 1, 2015; specifies required governmental financial assistance; project completion deadlines extended to June 30, 2015.
4.07	481.01 – 481.06	481.03 – 481.04	PHFL §§125, 127	Redevelopment Company Housing Project (First exemption)	Amended exemption formula for certain redevelopment companies.
4.08	620.01 – 620.02	620.01 – 620.02	RPTL §483-a	Farm Silos, Farm Feed Grain Storage Bins, Commodity Sheds, Bulk Milk Tank Coolers, and Manure Storage and Handling Facilities	Includes anaerobic digesters within in the definition of “manure storage and handling facilities”.
4.08	631.07 – 631.08	631.07 – 631.08	Ag-Mkts L §305	Agricultural Districts (Formed by County or New York State)	Limits the amount of annual agricultural assessment value change to two percent.
4.08	633.07 – 633.08	633.07 – 633.08	Ag-Mkts L §306	Agricultural Land Outside Agricultural District	Limits the amount of annual agricultural assessment value change to two percent.

Exemption application forms and instructions may be downloaded and printed at: www.tax.ny.gov/forms/orpts/exemption.htm

INSTRUCTIONS FOR UPDATE

PART II: ASSESSOR'S MANUAL VOLUME 4 – SUMMARY OF REVISIONS AS OF 01/01/14

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ASSESSOR'S MANUAL

Volume 4

Part II

Exemption Administration

2014 Assessment Roll Year

**New York State Department of Taxation and Finance
Office of Real Property Tax Services
W.A. Harriman State Campus
Albany, New York 12227**

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NEW YORK STATE DEPARTMENT OF TAXATION & FINANCE OFFICE OF REAL PROPERTY TAX SERVICES	ASSESSOR'S MANUAL Volume 4: Exemption Administration	SECTION	PAGE iii
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A. ELIGIBILITY REQUIREMENTS (continued):**3. Property Use Requirements (continued):**

START-UP NY: In tax-free areas that have been approved pursuant to Article 21 of the Economic Development Law, property owned by a private educational institution exempt under RPTL and exempt as of June 1, 2013 shall remain exempt if property is used for tax purposes of the START-UP NY program.

Special-Charter Corporations Unable to Sell Property: This exception applies to property that (1) had been owned for more than 100 years as of 1/1/83 by a corporation organized exclusively for the purposes exempt under RPTL §420-a and (2) was acquired under a grant or devise and a special charter from the New York State Legislature subject to conditions that may restrict the corporation's power to sell the property. Such property is exempt if (1) it is used exclusively for educational purposes, (2) it is leased for these purposes by an educational corporation whose own property would be exempt from taxation, (3) the lease is for a term of not less than 25 years, and (4) the lease (in effect as of 1/1/83) requires the lessee to pay all taxes levied against the property. This type of property is entitled to exemption even if the rental paid by the lessee exceeds the carrying, maintenance, and depreciation charges of the property.

Certain Property Used for Educational Purposes: Exemption may be granted to property (a) which was exempt on January 1, 1990 because of its ownership and use by an educational organization, (b) the title of which was conveyed to a governmental entity prior to June 30, 1991, (c) which, as a condition of conveyance, is leased, for a term or terms exceeding 100 years, to an educational corporation whose property is exempt when it is used for educational purposes, and (d) which continues to be used exclusively for educational purposes subject to the same conditions as property owned by educational organizations.

Stadiums: A stadium that (1) is owned by a corporation organized exclusively for educational purposes and (2) was constructed wholly or substantially with state funds is exempt even if it is used by the state, by a municipal corporation for a public use, or by or for a not-for-profit organization. (for a definition of "public use", see the exemption profile for RPTL §406(1) in Section 4.03 of this volume).

4. Certification by State or Local Government: None required.
5. Required Construction Start Date or Other Time Requirement: None, except in the case of certain special-charter corporations and certain property used for educational purposes (see Property Use Requirements above).

B. LOCAL OPTION: No.

C. LIMITATION ON EXEMPTION:

	General Municipal Taxes	School District Taxes	Special Ad Valorem Levies	Special Assessments
1. Amount	No limit	No limit	No limit	No limit
2. Duration	No limit	No limit	No limit	No limit
3. Taxing Jurisdiction				
a. County or County Special Districts	Ex	NA	L	L
b. City	Ex	NA	NA	Tax
c. Town or Town Special District	Ex	NA	L	L
d. Village	Ex	NA	NA	Tax
e. School District	NA	Ex	NA	NA

Ex - Exempt Tax - Taxable NA - Not Applicable

L - Liable only for (1) county and town charges for capital costs of sewer systems, water supply systems, waterways and drainage improvements, and streets and highways, plus (2) special assessments for indebtedness contracted before 7/1/53.

IV. RP-420-a/b-Use

A. Property Use

This form is to be used by organizations seeking exemption under either section 420-a or section 420-b. It is intended to provide the assessor with the information necessary to determine whether a particular parcel for which exemption is sought is being exclusively used for exempt purposes. As stated previously, the term "exclusively" means "principally" or "primarily." The assessor is to complete the parcel location information and assessment roll description on the form before distributing it to the applicant.

Question 1-3 - Organization Identification

The applicant organization is to complete the identifying information in Question 1 and 2 and correct any errors in the parcel description in Question 3. The employer identification number requested in Question 1b is discussed above with reference to Question 1c on Forms RP-420-a-Org and RP-420-b-Org (see, Part III A).

Question 4 - Ownership

Question 4a is designed to assist the assessor in determining if all of the property receiving a section 420-a or section 420-b exemption on the prior assessment roll is still owned by the nonprofit organization. If the applicant answers yes to Questions 4b or 4c, the assessor should seek additional information regarding the use of the property. It is possible that property which is for sale or in the process of being sold may not be presently used for exempt purposes.

Question 5 - Transfer

If Question 5 is completed, the assessor should inquire into the transfer between the owning organization and its grantor. The statute requires that the property be owned by the organization seeking exemption. Sometimes, an organization will have changed its corporate name since it acquired the property in question. In this case, the assessor should seek proof that the present owner is the legal successor to the record owner of the parcel.

Question 6 - Recent Acquisitions

Question 6 is self-explanatory and needs to be completed only if title was obtained within the last three years. It also shows if title to the property was in the owning organization as of taxable status date.

Questions 7 and 8 - Grantor-Grantee or Mortgagor-Mortgagee Relationship

No exemption may be granted pursuant to either section 420-a or section 420-b if the organization seeking exemption is a guise or pretense for making a pecuniary profit for the organization, its members or employees. The purpose of Question 7 and 8 is to elicit information indicating whether the organization satisfies or violates this requirement. If the parcel in question was purchased from someone with an interest in the organization (Question 7) or such a person holds a mortgage on the parcel (Question 8), the assessor should make further inquiry.

In some cases, this person may be making a pecuniary profit in excess of reasonable compensation because the financial transaction with the organization favors that person. A transaction of this type with an "insider" may show that the organization is a guise or pretense for making a pecuniary profit. Naturally, an arms-length transaction between the organization and the "insider" for a fair price would not present evidence necessitating the denial of the exemption.

Question 9 - Reversionary Interest

Question 9 should help the assessor determine whether the property may qualify for exemption pursuant to subdivision 3 of sections 420-a or 420-b. Subdivision 3 provides, in part, that unimproved and unused property from which no revenue is derived is exempt if the property is held by the applicant organization on the condition that title to the property will revert if a building not intended and suitable for one or more of the exempt purposes listed in section 420-a or section 420-b is erected. It is not expected that the assessor will often be confronted with this situation.

Question 10 - Property Use

Question 10 is most important since the property must be used primarily for one or more of the exempt purposes included in section 420-a or section 420-b and checked off by the applicant in Question 2 on Form RP-420-a-Org or RP-420-b-Org. The assessor should make further inquiry if not satisfied with the answer to Question 10.

If only a portion of an applicant's property is used primarily for exempt purposes, only that portion is exempt, and the remainder is taxable. We suggest that the assessor separately assess the exempt and taxable portions, whenever possible. If the assessor is unable to separately assess, he or she should indicate the general location and character of the taxable and exempt portions of the property on the assessment roll. However, it is not necessary to determine the exact geographic location of the taxable and exempt portions. A precise metes and bounds description is not required. Rather, the assessor should distribute the assessed value of the property between the taxable and exempt portions. The parcel is placed on the taxable portion of the assessment roll and treated as a partially exempt parcel with the amount of the exemption listed in a separate column (Real Property Tax Law, 502(5)).

Question 11 - Hospitals

Question 11, relevant only to hospitals, is designed to show whether a portion of the property is being used by doctors for their private practices. Where a portion of the property is being so used, that portion is subject to taxation.

Question 12 - Regular Use by Others

Although the property must be used for exempt purposes, it need not be so used by the owning organization itself. The property may continue to receive the exemption if it is regularly used by an organization which would be exempt pursuant to either section 420-a or section 420-b if it owned the property. The exemption may also be granted if the property is regularly used for purposes exempt pursuant to sections: 406 (municipal corporations); 408 (school districts and BOCES); 416 (United Nations); 422 (not-for-profit housing companies); 424 (institutes of arts and sciences); 426 (opera houses); 428 (fraternal organizations); 430 (interdenominational centers); 450 (agricultural societies); for civil defense purposes pursuant to the New York State Defense Emergency Act (L.1951, c.784); or for purposes of a tax-free NY

area where property owned by a private educational institution and exempt under section 420-a as of June 1, 2013 is used for purposes of the START-UP NY program (L. 2013, c.68). However, the rental income received by the owning organization may not exceed the carrying, maintenance and depreciation charges of the rented portion of the property. Question 12 is designed to elicit this information.

If a portion is leased to or used by a corporation or association which would not be entitled to any of these exemptions, that portion is taxable.

Question 13 - Occasional Use by Others

Question 13 is concerned with situations involving occasional use by persons or organizations other than the applicant. Occasional use for other than exempt purposes does not automatically require that the exemption be denied. Whether this occasional use is sufficient to defeat the applicant's claim that the property is used exclusively for exempt purposes is initially a question to be determined by the assessor, subject to possible administrative and judicial review.

For example, a church-owned building which is regularly and primarily used for religious purposes and occasionally used by other persons or organizations for their use, may still be entitled to exemption, subject to the income limitation discussed above with respect to Question 12. On the other hand, where a building is only occasionally used by a church and is regularly used by others for nonexempt purposes, the property is taxable.

Question 14 - Buildings and Other Improvements

If there are buildings or other improvements on the property, the applicant should answer "yes" to Question 14a and skip Questions 14b through 14f.

If there are no buildings or improvements on the property, the applicant is to describe in Question 14b the use of the property if not previously stated in answer to Question 10.

Subdivisions 3 of sections 420-a and 420-b provide, in part, that an exemption is to be granted to property from which no revenue is derived where such property is not used because of the absence of suitable buildings or improvements, provided that the construction of such buildings or improvements is contemplated in good faith. Questions 14c through 14f are intended to provide the assessor with information regarding the applicant's good faith contemplation.

For example, a resolution of the organization authorizing the construction of a building is some evidence of the organization's good faith (Question 14d). A building fund would also be some evidence of the organization's intent (Question 14e). Question 14f asks for an estimate of when construction is to begin. A date in the near future would be evidence of good faith contemplation.

Question 15 - Description of Improvements

Where there is a building or other improvement on the property, it is to be described in Question 15. In Question 15b the applicant is to approximate the amount of acreage not underlying the buildings or improvements. The use of this vacant land is described in Question 15c. Questions 15d through 15g provide the information with respect to the contemplated uses of a vacant portion of an improved parcel. This is similar to the information requested in Questions 14c through 14f, discussed above, with respect to an entirely vacant parcel.

An organization may receive an exemption on vacant land or on a vacant portion or a parcel on which a building is located even where no improvements are contemplated. However, the organization must show that this land is exclusively used for exempt purposes. Where it

cannot, the vacant parcel or the vacant portion of an improved parcel is taxable.

Question 16 - Unoccupied Improvements

This question is concerned with unoccupied building or other improvements on the property. Again, the burden is on the applicant to show that the property is intended to be used for exempt purposes. If the building is not "suitable" (see, discussion of Question 14 above), the organization should submit proof of the proposed renovation intended to render the building usable. Where the assessor is not satisfied that the unoccupied building is being used exclusively for exempt purposes or that it is not intended in good faith to be so used, he or she must enter the property on the taxable portion of the assessment roll.

B. Verification

The verification on Form RP-420-a/b-Use is the same as that on RP-420-a-Org and RP-420-b-Org discussed above.

Question 2d (Change in Use by Other than Owner)

Property owned by a nonprofit organization eligible for exemption under section 420-a or 420-b may be entitled to exemption even though all or part of the property is used by an organization other than the owner. For guidance in determining whether property used by other than the owner is eligible for exemption, see Instructions to Assessors, Application for Real Property Tax Exemptions for Nonprofit Organizations (Part IV, RP-420-a/b-Use, A. Property Use, Questions 12 and 13) in Section 4.05 of this volume.

If either of the following conditions exists, a parcel or portion of a parcel is taxable: (a) the parcel or portion is leased to or normally (rather than occasionally) used by an organization that is not entitled to exemption; (b) the income received by the owner from the user organization exceeds the carrying, maintenance, and depreciation charges of the parcel or portion. Question 4d of Form RP-420-a/b-Rnw-II is intended to alert the assessor to conditions of property used that require that a parcel or portion of a parcel be made taxable.

Case 18 (Nonexempt Use) The proportion of the parcel currently used by nonexempt organizations indicates that the parcel is not being used primarily for exempt purposes, or the terms of occupancy by nonexempt organizations indicate that the parcel is not being used primarily for exempt purposes, or the payments made by all occupants (whether exempt or nonexempt organizations) together exceed the carrying, maintenance, and depreciation charges of the parcel.

Assessor Action: Deny renewal of exemption.

Case 19 (Exempt Use) The proportion of the parcel currently used by nonexempt organizations indicates that the parcel is being used primarily for exempt purposes, and the terms of occupancy by nonexempt organizations indicate that the parcel is being used primarily for exempt purposes, and the payments made by all occupants (exempt or non-exempt) together do not exceed the carrying, maintenance, and depreciation charges of the parcel.

Assessor Action: Renew exemption.

Question 2e (Physical Change)

Case 20 (Construction/Alteration - Exempt Use) A building or other improvement has been constructed or altered, and the structure is being used primarily for exempt purposes.

Assessor Action: Renew exemption.

Case 21 (Construction/Alteration - Nonexempt Use) A building or other improvement has been constructed or altered, but the structure is not being used primarily for exempt purposes.

Assessor Action: Deny renewal of exemption for that portion of the parcel involved.

Case 22 (Demolition - Exempt Use) A building or other improvement has been demolished, and the land now vacant is being used for exempt purposes.

Assessor Action: Renew exemption.

Case 23 (Demolition - Nonexempt Use) A building or other improvement has been demolished, and, for reasons other than the lack of suitable improvements, the land now vacant is not being used for exempt purposes.

Assessor Action: Deny renewal of exemption for that portion of the parcel involved.

Question 2f (Change in Construction Plans)

An exemption may be granted for property from which no revenue is derived where such property is not used because of the absence of suitable buildings or other improvements, provided that the construction of such buildings or other improvements is contemplated in good faith.

The organization applying for exemption should give the assessor some sort of evidence of good faith contemplation of construction. Examples of such evidence are: a resolution of the organization authorizing the construction of a building, creation of a building fund by the organization, and a date in the near future given by the organization as an estimate of when construction will begin.

Case 24 (Construction in the Near Future Intended) The organization has postponed the date on which construction is expected to begin, but it has shown evidence of actual intent to begin construction soon *and* has shown a significant or at least growing financial ability to carry out the construction project.

Assessor Action: Renew exemption.

Case 25 (Construction in the Near Future Unlikely) The organization has postponed the date on which construction is expected to begin, and it has not shown evidence indicating that construction is now actually intended.

Assessor Action: Deny renewal of exemption for that portion of the parcel involved:

Case 26 (Construction Plans Canceled) Plans for construction of needed buildings or other improvements have been canceled, and the former construction site is not being used for exempt purposes.

Assessor Action: Deny renewal of exemption for that portion of the parcel involved.

Question 2g (Change in Hospital Property Use)

Case 27 (Private Practice) All or part of the parcel is being used for the private practice of staff members or others rather than for direct hospital-related activities.

Assessor Action: Deny renewal of exemption for that portion of the parcel so used.

V. DENIAL OF EXEMPTION RENEWAL WITH NO CHANGE REPORTED BY APPLICANT

Case 28 (Corrected Status) All or part of the parcel was in fact not entitled to exemption the previous year but was erroneously granted exemption.

Assessor Action: Deny renewal of exemption for that portion of the parcel involved.

Case 29 (Failure to File) The organization failed to file the required renewal application forms in time for preparation of the tentative assessment roll.

Assessor Action: Deny renewal of exemption for all parcels involved.

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Veterans Organizations

RPTL Section 452

Exemption Code(s): 2610_ Veterans Organization
2611_ Veterans Organization—also used by nonexempt entities

Year Originally Enacted: 1923

Related Statutes: RPTL §490
NPCL §1405

SUMMARY: This exemption applies to two types of veterans organizations: (1) a corporation, association, or post of war veterans of the U.S. Armed Forces (such as the American Legion) and (2) a soldiers monument corporation organized pursuant to NPCL §1405 whose members are war veterans of the U.S. Armed Forces but whose use of the property it owns does not entitle it to exemption under RPTL §442 (see the Exemption Profile for that statute). Real property that is owned by such organizations and is used as described below is wholly exempt from taxation and is exempt, for certain purposes, from special ad valorem levies and special assessments.

A. ELIGIBILITY REQUIREMENTS:

1. **Ownership Requirements:** Property must be owned by (a) a corporation, association, or post of war veterans of the U.S. Armed Forces or (b) a soldiers monument corporation organized pursuant to NPCL §1405 whose members are war veterans of the U.S. Armed Forces but which is not entitled to exemption under RPTL §442.
2. **Property Location Requirements:** None.
3. **Property Use Requirements:** Property must be used by the owner or by an organization otherwise entitled to exemption under Article 4 of the RPTL, except an organization exempt under RPTL §408 (school district or BOCES), §440 (infant home), §466 (volunteer fire company in a village), or §478 (owner of off-street parking facility providing underground shelter). No portion of the property used by such other exempt organization is entitled to exemption under RPTL §452 if the moneys paid to the owner for such use exceeds the carrying, maintenance, and depreciation charges of that portion. Except where allowed by local option, any portion of the property actually and exclusively used by a non-exempt person or entity shall be subject to taxation, special ad valorem levies and special assessments (See B. Local Option).
4. **Certification by State or Local Government:** None required.
5. **Required Construction Start Date or Other Time Requirement:** None.

B. LOCAL OPTION: Yes—each county, city, town, village and school district may choose to allow the exemption on that portion of the property that is used by or rented to non-exempt entities. The option to exempt in this instance must be exercised through adoption of a local law or school district resolution (after a public hearing). This is the only local option for this exemption.

C. LIMITATION ON EXEMPTION:

	General Municipal Taxes	School District Taxes	Special Ad Valorem Levies	Special Assessments
1. Amount	No limit	No limit	No limit	No limit
2. Duration	No limit	No limit	No limit	No limit
3. Taxing Jurisdiction				
a. County or County Special Districts	Ex*	NA	L	L
b. City	Ex*	NA	NA	Tax
c. Town or Town Special District	Ex*	NA	L	L
d. Village	Ex*	NA	NA	Tax
e. School District	NA	Ex*	NA	NA

Ex - Exempt Tax - Taxable NA - Not Applicable

L - Liable only for (1) county and town charges for capital costs of sewer systems, water supply systems, waterways and drainage improvements, and streets and highways, plus (2) special assessments for indebtedness contracted before 7/1/53.

* See B. Local Option

D. PAYMENTS IN LIEU OF TAXES: None required.

E. CALCULATION OF EXEMPTION:

1. **General Municipal and School District Taxes:** 100% of assessed value.
2. **Special Ad Valorem Levies and Special Assessments:** 100% of assessed value or other basis of assessment.

The exemption applies to all levies and assessments imposed by counties, county special districts, towns, and town special districts except (1) charges levied to pay for the capital costs of sewer systems, water supply systems, waterways and drainage improvements, and streets and highways, and (2) special assessments for indebtedness contracted before 7/1/53. The exemption does not apply to special assessments imposed by cities or villages.

F. CODING OF EXEMPTION ON ASSESSMENT ROLL:

<u>Code</u>	<u>Description of Alternative Codes Possible</u>
2610_	Veterans Organization
2611_	Veterans Organization—also used by nonexempt entities

Assessment Roll Section(s): Exempt (RPS Section 8).

NOTE: These codes should not be used to identify property that is owned by an individual veteran and is exempt under RPTL §458, §458-a or §458-b to identify property that is exempt under any of the statutes listed under Similar Exemptions below. For coding of such property, see the Exemption Profile for the statute that applies.

G. FILING REQUIREMENTS (Owner or Occupant of Property): None.

H. REPORTING REQUIREMENTS (Assessor): None.

I. SIMILAR EXEMPTIONS:

<u>Subject</u>	<u>Statute</u>
Nonprofit organizations (permissive class)	RPTL §420-b
Soldiers monument corporations	RPTL §442

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Green Buildings

RPTL Section 470

Exemption Code(s):	Green Building – Certified/Silver	4784_
	Green Building – Gold	4785_
	Green Building – Platinum	4786_

Year Originally Enacted: 2012

Related Statutes: None.

SUMMARY: If allowed by local option, construction of improvements which is commenced on or after January 1, 2013 or such later date as may be specified in local law and which is certified as meeting one of three levels of energy efficiency and environmental standards is partially exempt from taxation but liable to special ad valorem levies and special assessments. Such partial exemption is measured as the value added to the property by the improvements, and varies according to the level of certification standard which is met.

A. ELIGIBILITY REQUIREMENTS:

1. **Ownership Requirements:** Property must be owned by an individual or individuals, or by an organization.
2. **Property Location Requirements:** None.
3. **Property Use Requirements:** Property constructed or reconstructed must meet Leadership in Energy and Environmental Design (LEED) certification standards for green buildings (certified/silver, gold or platinum), as determined by a LEED-accredited professional. Alternatively, such property must meet standards substantially equivalent to LEED standards, such as the Green Building Initiative's Green Globes rating system, the American National Standards Institute (ANSI), or substantially equivalent green building standards determined by the taxing jurisdiction. The certification of the property as meeting the applicable standard must be certified by a professional accredited with respect to the applicable rating system.

The value of the construction or reconstruction project must be greater than \$10,000, and may not be one of ordinary maintenance and repairs.

4. **Certification by State or Local Government:** The construction or reconstruction project must be documented by a building permit or other documentation as required by the assessor, such as a certificate of occupancy.

A. ELIGIBILITY REQUIREMENTS (continued):

5. **Required Construction Start Date or Other Time Requirement:** Construction of improvements must commence on or after January 1, 2013 or such later date as may be specified in local law, ordinance, or resolution.
-

B. LOCAL OPTION: Yes – the taxing jurisdiction is allowed the following choices:

1. **Adopt the exemption:** The governing board of a county, city, town or village, must pass a local law or ordinance to adopt the exemption after a public hearing, or, in the case of a school district, a resolution.
2. **Limit the exempt amount:** The governing board of a county, city, town or village may establish a maximum exempt amount in its local law or ordinance after a public hearing, or, in the case of a school district, a resolution.
3. **Construction Start Date:** The taxing jurisdiction may specify in its local law, ordinance or resolution any date after that required by state law (see required Construction Date or Other Time Requirement above) as the date after which the construction or reconstruction project must have commenced for the property to be eligible for exemption.
4. **Green Building standards:** The governing body of each taxing jurisdiction allowing the exemption may adopt standards for certification of green buildings, provided standards under such program are substantially equivalent to those certification standards established by LEED (see Property Use Requirements above).

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Green Roof Properties in New York City

RPTL Section 499-bbb

Exemption Code(s): Not applicable (see Coding of Abatement on Assessment Roll below).

Year Originally Enacted: 2008

Related Statutes: None.

SUMMARY: Real property located in New York City and in Class One, Two, or Four, and which has supplemental roofing that meets specific “green roof” standards for reducing storm water runoff is eligible for a one-year abatement in taxes, but liable for special assessments. The amount of the abatement is limited to the lesser of a dollar amount per square foot or fixed dollar amount, depending on when the abatement is granted. There is also an overall cap on the aggregate amount of tax abatements granted in any one year. The abatement commences on July 1 following approval of the application for abatement by an agency designated by the Mayor. An eligible building is limited to a single abatement under this section of law.

A. ELIGIBILITY REQUIREMENTS:

1. **Ownership Requirements:** Property must be owned by a private individual or organization.
2. **Property Location Requirements:** Property must be located in New York City.
3. **Property Use Requirements:** Property must be a building in Class One, Two, or Four. A building eligible for abatement must have a “green roof,” which means an addition to the roof of the building that covers at least 50 percent of the building’s total available space (as certified by an engineer or architect or other certified or licensed professional whom an agency designated by the Mayor specifies by rule (see Certification by State or Local Government below), and includes: (a) a weatherproof and waterproof roofing membrane layer that complies with local construction and fire codes, (b) a root barrier layer, (c) an insulation layer that complies with the Energy Conservation Construction Code of New York state and local construction and fire codes, (d) a drainage layer that complies with local construction and fire codes and is designed so that the drains can be inspected and cleaned, (e) a growth medium, including natural or simulated soil, with a depth of at least two inches, (f) if the depth of the growth medium is less than three inches, an independent water holding layer that is designed to prevent the rapid drying of the growth medium, such as a non-woven fabric, pad or foam mat or controlled flow roof drain, unless the green roof is certified not to need regular irrigation to maintain live plants, and (g) a vegetation layer, at least 80 percent of which must be covered by live plants such as (1) sedum or equally drought-resistant and hardy plant species, (2) native

A. ELIGIBILITY REQUIREMENTS (CONTINUED):**3. Property Use Requirements (continued):**

plant species and/or (3) agricultural plant species. The owner of the green roof property must agree to maintain the green roof during the year of abatement, and for a minimum of three years thereafter so that it continues to meet the property use requirements as stated above, and subject to rules promulgated by an agency designated by the Mayor, and must also agree to allow inspection of the eligible improvements.

4. Certification by State or Local Government: Project must be certified by an engineer or architect or other certified or licensed professional whom an agency designated by the Mayor may specify in rule.

5. Required Construction Start Date or Other Time Requirement: An applicant may file for this abatement on or after January 1, 2009, but no later than March 15, 2018.

B. LOCAL OPTION: No.

C. LIMITATION ON EXEMPTION:

	General Municipal Taxes	School District Taxes	Special Ad Valorem Levies	Special Assessments
1. Amount	Yes*	Yes*	NA	No abatement allowed
2. Duration	One year	One year	NA	No abatement allowed
3. Taxing Jurisdiction				
a. City	Ex	NA	NA	Tax
b. School District	NA	Ex	NA	NA

Ex - Exempt

Tax - Taxable

NA - Not Applicable

* See Calculation of Exemption below.

D. PAYMENTS IN LIEU OF TAXES: None required.**E. CALCULATION OF EXEMPTION:**

1. **General Municipal and School District Taxes:** The amount of the abatement depends on when the abatement is granted on the property. For any tax year commencing on or after July 1, 2009 and ending on or before June 30, 2014 the abatement is calculated as \$4.50 per square foot of green roof (see Property Use Requirements above), but not to exceed the lesser of \$100,000 or the amount of taxes due in the tax year of the abatement. For any tax year commencing on or after July 1, 2014 and ending on or before June 30, 2019 the abatement is calculated as \$5.23 per square foot of a green roof, but not to exceed the lesser of \$200,000 or the amount of taxes due in the year of abatement.

If the eligible building is a condominium, the abatement should be apportioned among all of the condominium tax lots within such eligible building. The duration of this abatement is one year.

This abatement is subject to an overall cap on the amount that can be spent in any one year on the abatement program: \$750,000 in City fiscal year 2015, and \$1,000,000 in City fiscal years 2016, 2017, 2018 and 2019. The aggregate amount of abatements will be allocated by the City Department of Finance among eligible applicants on a pro rata basis.

If as a result of appeal to the City Tax Commission or a court order or by action by the Department of Finance, the billable assessed value for the fiscal year in which the abatement applies is reduced after the assessment roll becomes final, the Department of Finance should recalculate the abatement so that the abatement granted will not exceed the annual taxes as so reduced. The amount equal to the difference between the abatement originally granted and the abatement as so recalculated should be deducted from any refund otherwise payable or remission otherwise due as a result of such reduction in billable assessed value.

2. **Special Assessments:** No abatement allowed.

F. CODING OF EXEMPTION ON ASSESSMENT ROLL:

<u>Code</u>	<u>Description of Alternative Codes Possible</u>
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Not applicable

Assessment Roll Section(s):

NOTE: Since the abatement allowed here is a reduction in actual taxes levied rather than a reduction in assessed value, no exemption code should be used and no dollar amount should be entered in the "exempt value" section of the assessment roll.

G. FILING REQUIREMENTS (Owner or Occupant of Property): See the Department of Finance website at www.nyc.gov/dof.

H. REPORTING REQUIREMENTS (Assessor): None.

I. SIMILAR EXEMPTIONS:

<u>Subject</u>	<u>Statute</u>
Energy conservation improvements to certain residential premises	RPTL §487-a
Solar electric generating systems in New York City	RPTL §499-bbbb
Solar, wind, or farm waste energy systems	RPTL §487

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New Multiple Dwellings in New York City

RPTL Section 421-a

Exemption Code(s): 48800

Year Originally Enacted: 1971

Related Statutes: None

SUMMARY: To the extent allowed by the city, new multiple dwellings in New York City that are constructed during a certain time period (see Required Construction Start Date below) are partially exempt from taxation, but liable for special assessments, provided that (1) the property is not exempt from taxation under any other law, (2) the project is located on land that, 36 months prior to start of construction, was vacant, predominantly vacant, underutilized, or improved with a nonconforming use, and (3) if the new dwelling replaces a demolished residential building and contains more than 20 dwelling units, the new dwelling satisfies certain conditions regarding the type or size of dwelling units provided.

For purposes of this exemption, new multiple dwellings also include projects which consist of new construction and either rehabilitation of an existing multiple dwelling or conversion of non-residential space into residential space (or a combination of such rehabilitation and conversion), provided that at least 51 percent of the floor space in the completed project is new space. If such projects are located within a designated area of Manhattan south of 110th Street (as designated in RPTL §489 (1)(c)), the project must receive a grant, loan or subsidy from a federal, state or local agency. If such projects are located within the Williamsburg-Greenpoint waterfront exclusion area of Brooklyn (as defined in RPTL§ 421-a (6) (a) (ii)), the project must provide affordable housing for persons or families of low and moderate income.

Exemption is not allowed if (1) the dwelling is located in an area where exemption has been disallowed by the NYC Department of Housing Preservation and Development because a tax incentive in the area is not needed, the dwelling is four or more stories in height, and construction began on or after January 1, 1982 or two years or more after exemption in the area was disallowed, (2) the area in which the property is located has been designated by the NYC Department of Housing Preservation and Development as one to be preserved for mainly non-residential purposes, (3) the property includes land mapped as a public park (except in certain cases -- see Property Use Requirements below), or (4) the property includes land used for 10 or more consecutive years prior to October 1, 1971 as a "private park," as defined under Property Use Requirements below.

Four types of exemption are authorized by this statute: (1) a 13-year exemption for all multiple dwelling projects that comply with the eligibility requirements, (2) an 18-year exemption for certain types of projects located in Manhattan south of or adjacent to either side of 110th Street and all other projects that comply with the eligibility requirements (if begun after January 1, 1975 and before June 15, 2015), and certain projects located partially within the

SUMMARY (continued):

Greenpoint-Williamsburg waterfront exclusion area and partially outside the exclusion area but within Brooklyn Community District Number One (see Property Location Requirements below), (3) a 23-year exemption for certain types of projects located in Manhattan south of or adjacent to either side of 110th Street (if begun after July 1, 1992 but before June 15, 2015), and (4) a 28-year exemption for projects which are located in neighborhood preservation program areas, certain projects located wholly within the Williamsburg-Greenpoint waterfront exclusion area (see Property Location Requirements below), and certain other areas or which are subject to certain financing or tenant occupancy conditions.

Note: Legislation was signed into law in 2007 and 2008 that continues the eligibility requirements for new construction. These changes involve among other matters expansion of geographic exclusion areas within the city, provision of affordable housing units outside of these geographic exclusion areas, billable exempt value caps, dedicated funding for affordable housing units, affordability and rent stabilization requirements, and prevailing wage requirements. These and other legislative and local rule changes can be found at the Internet website of the New York City Department of Finance (www.nyc.gov/dof). This site also has links to the website of the city Department of Housing and Preservation Development.

A. ELIGIBILITY REQUIREMENTS:

1. **Ownership Requirements:** Property must be owned by a private individual or organization.
2. **Property Location Requirements:** In the case of all four types of exemption, the property must be located in New York City. In addition, it must not be located in an area where exemption has been disallowed by the NYC Department of Housing Preservation and Development because a tax incentive in the area is not needed, unless (1) the dwelling is less than four stories in height and (2) construction began before January 1, 1982 or within two years of the date that exemption was disallowed.

The property location requirements specific to each type of exemption are as follows:

- a. **13-Year Exemption** - None.
 - b. **18-Year Exemption** - Property must not be located in an area excluded by local law from eligibility for the 13-year exemption. If the property is located in Manhattan south of or adjacent to either side of 110th Street, or if the project is located partially within the Greenpoint-Williamsburg waterfront exclusion area and partially outside the exclusion area but within Brooklyn Community District Number One, it must comply with certain additional requirements (see Property Use Requirements below).
 - c. **23-Year Exemption** - Property must be located in Manhattan south of or adjacent to either side of 110th Street.
-

A. ELIGIBILITY REQUIREMENTS (continued):**2. Property Location Requirements (continued):**

- d. 28-Year Exemption - Property must be located in a neighborhood preservation program area as determined by the local housing agency as of 6/1/85, a neighborhood preservation area as determined by the NYC Planning Commission as of 6/1/85, an area eligible for mortgage insurance provided by the Rehabilitation Mortgage Insurance Corporation as of 5/1/92, an area receiving funding for a neighborhood preservation project pursuant to the Neighborhood Reinvestment Corporation Act (42 USC 180 et seq.) as of 6/1/85, the Greenpoint-Williamsburg waterfront exclusion area, or another area provided that certain requirements are met (see Property Use Requirements below). Property must not be located (1) in an area excluded by local law from eligibility for the 13-year exemption or (2) in Manhattan south of or adjacent to either side of 110th Street.

3. Property Use Requirements: The following requirements apply to all four types of exemption:

- a. Project must be located on land that, 36 months prior to start of construction, was vacant, predominantly vacant, underutilized, or improved with a nonconforming use.
- b. If the new dwelling replaces a demolished residential building and contains more than 20 dwelling units, the new dwelling must contain at least 5 dwelling units for each Class A dwelling unit demolished.
- c. If the new dwelling contains more than 100 dwelling units, at least 15% of the units must contain 3-1/2 rooms or more and at least 10% of the units must contain 4-1/2 rooms or more, unless this requirement has been waived by the NYC Department of Housing Preservation and Development.
- d. The property must not include land mapped as a public park, unless (1) for at least 10 years after mapping, the land has not been acquired by the state or city, (2) the city Department of Parks and Recreation has determined that the land is not required for public park purposes, (3) that department has no intention of acquiring the land, and (4) no moneys have been allocated for its acquisition.
- e. The property must not include land used for 10 or more consecutive years prior to October 1, 1971 as a "private park," defined as a privately owned zoning lot in a densely developed area having a maximum size of 4,000 sq. ft., free of developments and containing only trees, grass, benches, walkways, and passive recreational facilities, which has been used and maintained during such period for such passive recreational activity by the general public without charge and with the consent and participation of the owner.

A. ELIGIBILITY REQUIREMENTS (continued):**3. Property Use Requirements (continued):**

- f. If a local law exists providing for the stabilization of rents in multiple dwellings, the rents of the dwelling exempt under RPTL §421-a are subject to control under that local law, unless they are exempt from such control by reason of cooperative or condominium status, for the entire period during which the property is receiving §421-a benefits or for the period during which the local law is in effect, whichever is shorter. This period may be extended if rent-control provisions other than those contained in RPTL §421-a become applicable.
- g. The property must not be used as a hotel.
- h. A project which consists of new construction and either rehabilitation of an existing multiple dwelling or conversion of non-residential space into residential space (or a combination of such rehabilitation and conversion) must set apart at least 51 percent of the floor space as new space.

Certain additional requirements apply only to the 18-year, 23-year, and 28-year exemptions. In the case of a property with an 18-year exemption which is part of a project where at least one or more buildings are located within the Greenpoint-Williamsburg waterfront exclusion area and where one or more buildings are located within Brooklyn Community District Number One, the total number of affordable units in the project located outside the exclusion area may not be greater than 200. In the case of other 18-year exemptions, 23-year exemptions and property located in Manhattan south of or adjacent to 110th Street and in the case of the 28-year exemption and property located in an area other than those described in Property Location Requirements above: (1) construction of the project must be carried out with the substantial assistance of grants, loans, or subsidies from a federal, state, or local agency or (2) 20% of the dwelling units must be affordable to families of low or moderate income. In the case of the 28-year exemption on property wholly located within the Greenpoint-Williamsburg exclusion area, generally no less than 20% of the dwelling units must be affordable to persons or families of low or moderate income. We suggest that you contact the New York City Department of Housing Preservation and Development for further details concerning project eligibility.

- 4. **Certification by State or Local Government:** The NYC Department of Housing Preservation and Development must annually certify the owner's eligibility for exemption unless the department exercises its option to rely on the certification of eligibility provided by a licensed architect or engineer that is submitted by the exemption applicant. The certificate of eligibility must be annually filed with the assessor.

A. ELIGIBILITY REQUIREMENTS (continued):**5. Required Construction Start Date or Other Time Requirement:**

13-Year, 18-Year, and 28-Year Exemptions - Construction must have begun after January 1, 1975 and before June 15, 2015. If a project consists of two or more multiple dwellings constructed on a contiguous site and contains a total of not less than 1,000 dwelling units, each of the multiple dwellings is entitled to exemption provided that construction was begun before January 1, 1978 and completed by the date fixed by the NYC Department of Housing Preservation and Development, which may be no later than four years after the start of construction. Construction is considered as begun when excavation or alteration has begun in good faith on the basis of approved construction plans.

23-Year Exemption - Construction must have begun after July 1, 1992 but before June 15, 2015. There is no statutory limit on the completion date.

- B. LOCAL OPTION:** In the case of the 13-year exemption: No. In the case of the 18-year, 23-year, and 28-year exemptions: Yes -- the local housing agency may choose whether or not to allow the exemption. This option must be exercised through adoption of rules and regulations. However, in the case of all four exemptions, the city may, by enacting a local law, further restrict the eligibility requirements, scope of exemption (including eligible areas), and amount of benefits under this statute.

C. LIMITATION ON EXEMPTION:

	General Municipal Taxes	School District Taxes	Special Ad Valorem Levies	Special Assessments
1. Amount	Yes*	Yes*	NA	No exemption allowed
2. Duration	Yes*	Yes*	NA	No exemption allowed
3. Taxing Jurisdiction				
a. City	Ex**	NA	NA	Tax
b. School District	NA	Ex**	NA	NA

Ex - Exempt

Tax - Taxable

NA - Not Applicable

* See Calculation of Exemption below.

** If allowed by local option (18-year, 23-year, and 28-year exemptions)

D. PAYMENTS IN LIEU OF TAXES: None required.

E. CALCULATION OF EXEMPTION:

1. General Municipal and School District Taxes:

- a. 13-Year Exemption -- Unless further limited by local law, the following percentages of assessed value are eligible for exemption:

100% during construction period (but no more than three years immediately following commencement of construction).

After completion of construction:

Years 1 and 2	100%
Years 3 and 4	80%
Years 5 and 6	60%
Years 7 and 8	40%
Years 9 and 10	20%

E. CALCULATION OF EXEMPTION (continued):**1. General Municipal and School District Taxes (continued):**

- b. 18-Year Exemption -- Unless further limited by local law, the following percentages of assessed value are eligible for exemption:

100% during construction period (but no more than three years immediately following commencement of construction).

After completion of construction:

Years 1 - 11	100%
Year 12	80%
Year 13	60%
Year 14	40%
Year 15	20%

- c. 23-Year Exemption -- Unless further limited by local law, the following percentages of assessed value are eligible for exemption:

100% during construction period (no more than three years immediately following commencement of construction)

After completion of construction:

Years 1 - 12	100%
Year 13 - 14	80%
Year 15 - 16	60%
Year 17 - 18	40%
Year 19 - 20	20%

- d. 28-Year Exemption -- Unless further limited by local law, the following percentages of assessed value are eligible for exemption:

100% during construction period (but no more than three years immediately following commencement of construction).

After completion of construction:

Years 1 - 21	100%
Year 22	80%
Year 23	60%
Year 24	40%
Year 25	20%

E. CALCULATION OF EXEMPTION (continued):**1. General Municipal and School District Taxes (continued):**

In the case of all four exemptions, if non-residential use exceeds 12% of the total floor area of a building granted exemption, the exempt value must be reduced by an amount equal to the percentage of the aggregate floor area by which the aggregate floor area of commercial, community facility, and accessory use space exceeds 12% of the aggregate floor area of the building. Accessory use space in this calculation does not include accessory parking located 23 feet or less above the curb level. If the building consists of two or more separately assessed parcels, the reduction in exempt value is applied first to those parcels that are unrelated to the residential use of the building. Only after such unrelated parcels are fully taxable may the remainder of the tax reduction be apportioned pro rata among the other parcels.

While not affecting the calculation of exempt value for assessment roll purposes, there is one more limitation on the exemption. The owner is annually liable for the amount of taxes payable in the tax year preceding the start of construction without regard to any tax exemption or abatement in effect prior to the start of construction.

2. Special Assessments: No exemption allowed.**F. CODING OF EXEMPTION ON ASSESSMENT ROLL:**

<u>Code</u>	<u>Description of Alternative Codes Possible</u>
48800	

Assessment Roll Section(s): Taxable

NOTE: This code should not be used to identify property that is exempt under any of the statutes listed under Similar Exemptions below.

G. FILING REQUIREMENTS (Owner or Occupant of Property): None.**H. REPORTING REQUIREMENTS (Assessor):** The assessor must annually certify to the collecting officer the amount of taxes to be abated.**I. SIMILAR EXEMPTIONS:** See charts IA and IB.

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Multiple Dwellings outside New York City
Financed by NYS Housing Finance Agency

RPTL Section 421-d

Exemption Code(s): 4197_

Year Originally Enacted: 1983

Related Statutes: PHFL §42(24)

SUMMARY: If allowed by local option, new or rehabilitated housing developments outside New York City that contain five or more residential units and are subject to a mortgage financed by the NYS Housing Finance Agency are partially exempt from taxation, but liable for special ad valorem levies and special assessments, provided that (1) the property is used for residential or residential plus auxiliary purposes (see Property Use Requirements below) and (2) the property is not exempt from taxation under any other law. This exemption is in effect until July 23, 2015.

A. ELIGIBILITY REQUIREMENTS:

1. **Ownership Requirements:** Property must be owned by a private individual or organization and must be subject to a mortgage financed by the NYS Housing Finance Agency.
2. **Property Location Requirements:** Property must be located outside New York City.
3. **Property Use Requirements:** Project must contain at least five residential units. In addition to residential use, other property uses eligible for exemption are those auxiliary uses determined by the NYS Housing Finance Agency as appropriately related to the residential portion of the project. These auxiliary uses include commercial, recreational, cultural, communal, dining, medical and nursing treatment, day care or residential child care, and community facilities.
4. **Certification by State or Local Government:** None required.
5. **Required Construction Start Date or Other Time Requirement:** None.

B. LOCAL OPTION: Yes -- Each city, town, and village in which the property is located may choose whether or not to allow the exemption. The option must be exercised through adoption of a local law.

C. LIMITATION ON EXEMPTION:

	General Municipal Taxes	School District Taxes	Special Ad Valorem Levies	Special Assessments
1. Amount	Yes*	Yes*	No exemption allowed	No exemption allowed
2. Duration	Construction period** plus 15 years***	Construction period** plus 15 years***	No exemption allowed	No exemption allowed
3. Taxing Jurisdiction				
a. County or County Special Districts	Ex****	NA	Tax	Tax
b. City	Ex****	NA	NA	Tax
c. Town or Town Special District	Ex****	NA	Tax	Tax
d. Village	Ex****	NA	NA	Tax
e. School District	NA	Ex****	NA	NA

Ex - Exempt

Tax - Taxable

NA - Not Applicable

* After the initial three years of exemption (during construction and rehabilitation), the exemption may not exceed three additional years at 100%, followed by three years at 80%, and thereafter decreasing every three years by 20%. In addition, the owner is annually liable for the amount of taxes payable in the tax year preceding the start of construction.

** The duration of exemption during construction or rehabilitation may not exceed three years unless the local law or resolution specifically extends the exemption period. Total period of exemption may not exceed 18 years.

*** If the term of the mortgage is shorter, the property is exempt only during that term.

**** If allowed by local option.

D. PAYMENTS IN LIEU OF TAXES: None required.

E. CALCULATION OF EXEMPTION:

1. General Municipal and School District Taxes:

The following percentages of assessed value are eligible for exemption:

During construction period (up to three years): 100%

After completion of construction or optional extended construction period:

Years 1-3	100%
Years 4-6	80%
Years 7-9	60%
Years 10-12	40%
Years 13-15	20%

If the term of the mortgage is shorter than the construction period plus 15 years, the property is exempt only during the term of the mortgage.

While not affecting the calculation of exempt value for assessment roll purposes, there is one more limitation on the exemption. The owner is annually liable for the amount of taxes payable in the tax year preceding the start of construction.

2. Special Ad Valorem Levies and Special Assessments: No exemption allowed.

F. CODING OF EXEMPTION ON ASSESSMENT ROLL:

<u>Code</u>	<u>Description of Alternative Codes Possible</u>
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4797_

Assessment Roll Section(s): Taxable (RPS Section 1).

NOTE: This code should not be used to identify property that is exempt under any of the statutes listed under Similar Exemptions below.

G. FILING REQUIREMENTS (Owner or Occupant of Property): None.

H. REPORTING REQUIREMENTS (Assessor): None.

I. SIMILAR EXEMPTIONS: See Charts IA and IB.

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**Class 2 Cooperatives and Condominiums in
New York City**

RPTL Section 467-a

Exemption Code(s): Not applicable (see Coding of Abatement on Assessment Roll below)

Year Originally Enacted: 1996

Related Statutes: RPTL §§400, 402, 404, 406, 408, 410, 410-a, 412, 412-a, 416, 418, 420-a, 420-b, 425, 436, 458, 458-a, 459-c, 462, 467, 467-b, 489, 499-bbb, 499-bbbb

SUMMARY: Residential property which is: (1) located in New York City; (2) held in the cooperative or condominium form of ownership; and (3) currently included in Class 2 is eligible for an abatement of taxes. The amount of the abatement depends on the “average unit assessed value” of the eligible apartment or residential unit (as indicated in E. Calculation of Exemption below). Such property is liable for special assessments.

The abatement is not available to sponsors of cooperative or condominium offerings or to owners of more than three cooperative or condominium units. To be eligible for the abatement, the unit must serve as the primary residence of the owner. Owners of three or fewer units may receive the abatement, but one of those units must be the owner’s primary residence. (A phase out abatement is available for owners of three or fewer units who received the abatement in 2011/12, but where none of the units was the owner’s primary residence in 2012/13.) Lastly, the abatement may not be granted to residential units already exempt under another statute, unless the exemption is provided in accordance with RPTL §§400, 402, 404, 406, 408, 410, 410-a, 412, 412-a, 416, 418, 420-a, 420-b, 425, 436, 458, 458-a, 459-c, 462, 467, 467-b, 489, 499-bbb, or 499-bbbb.

A penalty of up to \$10,000 may be imposed upon each member of a Cooperative Board of Directors that fails to pass the tax savings along as required.

A. ELIGIBILITY REQUIREMENTS:

1. **Ownership Requirements:** Property must be held in a cooperative or condominium form of ownership by a private individual or organization. This abatement may be granted to a dwelling unit within such a property where the unit in question is held in trust solely for the benefit of a person or persons who would otherwise be eligible to receive this abatement, were such person or persons the legal owner of the unit. However, the abatement is not available to sponsors of cooperative or condominium offerings. Furthermore, this abatement is not available to owners of four or more units within same property. Owners of three or more units within any one property may receive the abatement only if one of the units is the owner’s primary residence.
2. **Property Location Requirements:** Property must be located in New York City.

A. ELIGIBILITY REQUIREMENTS (continued):

3. **Property Use Requirements:** Property must be used for residential purposes and classified as Class 2 pursuant to section 1802 of the Real Property Tax Law.
4. **Certification by State or Local Government:** An application for a certificate of abatement must be annually submitted to the NYC Commissioner of Finance by the board of managers of a condominium or the board of directors of a cooperative apartment corporation.
5. **Required Construction Start Date or Other Time Requirement:** Abatement is currently allowed only for fiscal years commencing in 2012 and extending through 2014.

B. LOCAL OPTION: No.

C. LIMITATION ON EXEMPTION:

	General Municipal Taxes	School District Taxes	Special Ad Valorem Levies	Special Assessments
1. Amount	Yes*	Yes*	NA	No abatement allowed
2. Duration	Fiscal years commencing in 2012 and extending through 2014	Fiscal years commencing in 2012 and extending through 2014	NA	No abatement allowed
3. Taxing Jurisdiction				
a. City	Ex	NA	NA	Tax
b. School District	NA	Ex	NA	NA

Ex - Exempt

Tax - Taxable

NA - Not Applicable

* The amount of the abatement depends on the “average unit assessed value” of the property.
(See E. Calculation of Exemption below.)

D. **PAYMENTS IN LIEU OF TAXES:** None required.

E. **CALCULATION OF EXEMPTION:**

1. **General Municipal and School District Taxes:** The schedule to be followed in calculating the abatement depends on the amount of the "average unit assessed value," determined by dividing the residential portion of the property's assessed value by the number of dwelling units in the property. In the case of cooperative units, the average unit assessed value is determined by multiplying the total assessed value of the units in the structure by the percent of shares that are residential, then dividing that figure by the number of residential units. The average assessed value thresholds and benefit amounts are as follows:

a. **Less Than or Equal to \$50,000:**

<u>Year of Abatement (Fiscal Year Commencing)</u>	<u>Percentage of Abatement</u>
2012	25
2013	26.5
2014	28.1

b. **\$50,001-\$55,000:**

<u>Year of Abatement (Fiscal Year Commencing)</u>	<u>Percentage of Abatement</u>
2012	22.5
2013	23.8
2014	25.2

c. **\$55,001-\$60,000:**

<u>Year of Abatement (Fiscal Year Commencing)</u>	<u>Percentage of Abatement</u>
2012	20
2013	21.2
2014	22.5

d. **\$60,001 and above:**

<u>Year of Abatement (Fiscal Year Commencing)</u>	<u>Percentage of Abatement</u>
2012	17.5
2013	17.5
2014	17.5

1. General Municipal and School District Taxes (continued):

Non-resident owners who received the abatement in 2011/12 are eligible to receive a phased reduction in abatement benefits as follows:

<u>Phase Out Stages</u>	<u>Tax Year</u>	<u>Abatement Benefit Level</u>
Stage 1	2012/13	50% of 2011/12 benefit (i.e., 12.5% if 2011/12 average assessed value \$15,000 or less; 8.75% if more than \$15,000).
Stage 2	2013/14	25% of 2011/12 benefit (i.e., 6.25% if 2011/12 average assessed value \$15,000 or less; 4.375% if more than \$15,000).
Stage 3	2014/15	None

2. Special Ad Valorem Levies and Special Assessments: No abatement allowed.

F. CODING OF EXEMPTION ON ASSESSMENT ROLL:

<u>Code</u>	<u>Description of Alternative Codes Possible</u>
	Not applicable

Not applicable

Assessment Roll Section(s):

NOTE: Since the abatement allowed here is a reduction in actual taxes levied rather than a reduction in assessed value, no exemption code should be used and no dollar amount should be entered in the "exempt value" section of the assessment roll.

G. FILING REQUIREMENTS (Owner or Occupant of Property): Abatement application form and instructions are available at the Internet website of the New York City Department of Finance at www.nyc.gov/dof.

NOTE: An owner of a dwelling unit may request a redacted copy of the tax abatement application from the management of the building in which his or her unit is located.

H. REPORTING REQUIREMENTS (Assessor): None.

I. SIMILAR EXEMPTIONS: See Charts IA and IB.

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Multiple Dwellings (Various Improvements)

RPTL Section 489

Exemption Code(s): 4807_

Year Originally Enacted: 1960

Related Statutes: Mult Dw L Articles 7-B and 7-C

SUMMARY: If allowed by local option, property is (1) wholly or partially exempt from taxes levied on any increase in assessed value resulting from eligible improvements carried out within certain time periods (see Eligibility Requirements below) and (2) eligible for tax abatement in varying amounts depending on type of improvement. In addition, the property is entitled to a limited assessment, which is described under Calculation of Exemption below. Such property is, however, liable for special ad valorem levies and special assessments.

The benefits authorized by RPTL §489, unless excluded by local law, apply to (1) alterations or improvements to private dwellings, (2) conversion of a private dwelling to a multiple dwelling, and (3) conversion of a multiple dwelling to a private dwelling, provided that the alteration, improvement, or conversion is aided by a government loan or subsidy.

A. ELIGIBILITY REQUIREMENTS:

1. **Ownership Requirements:** Property must be owned by a private individual or organization.
2. **Property Location Requirements:** Location requirements depend on type of property improvement (see Property Use Requirements below).
3. **Property Use Requirements:**
 - a. The following alterations and improvements are eligible for exemption and abatement in the following areas:

<u>Eligible Alterations and Improvements</u>	<u>Eligible Areas</u>
Alterations or improvements to eliminate fire or health hazards	All cities
Asbestos abatement to the extent such abatement is required by federal, state, or local law	Cities in which Multiple Dwelling Law applies (New York City)
Conversion of building or other structure to Class A multiple dwelling not used for single-room occupancy	Cities in which Multiple Dwelling Law applies (New York City)

A. ELIGIBILITY REQUIREMENTS (continued):

3. Property Use Requirements (continued):

<u>Eligible Alterations and Improvements</u>	<u>Eligible Areas</u>
Energy-conservation alterations or improvements	Cities in which Multiple Dwelling Law applies (New York City)
Historic preservation alterations or improvements to exterior walls	Cities in which Multiple Dwelling Law applies (New York City)
Rehabilitation (substantial) of a Class A multiple dwelling or conversion of a building or other structure to a Class A multiple dwelling as part of a program to provide housing for low- or moderate-income households, provided that (1) the rehabilitation or conversion is aided financially by a government agency and (2) the property was a building or buildings conveyed by the city for the purpose of such rehabilitation or conversion	Cities in which Multiple Dwelling Law applies (New York City)
Rehabilitation (moderate) of substantially occupied Class A multiple dwelling	New York City

- b. Property must not be a Class A or Class B multiple dwelling used in whole or in part for single-room occupancy, defined by Mult Dw L 4(16) as "the occupancy by one or two persons of a single room, or of two or more rooms which are joined together, separated from all other rooms within an apartment in a multiple dwelling, so that the occupant or occupants thereof reside separately and independently of the other occupants of the same apartment." This requirement applies regardless of the status or use of the building after the conversion, alteration, or improvement unless such work is carried out with the substantial assistance of grants, loans, or subsidies from any federal, state, or local agency (as specified under RPTL §489(17).
- c. Property must be used for residential purposes. If the property is used in part for other purposes, the tax exemption and abatement must be adjusted to exclude the portion used for non-residential purposes.

A. ELIGIBILITY REQUIREMENTS (continued):**3. Property Use Requirements (continued):**

- d. A local law may require that property be located in an area approved for clearance, replanning, reconstruction, or neighborhood rehabilitation pursuant to Chapter 887 of the Laws of 1945, or in an area designated for studies, tests, demonstrations, and other activities for the prevention and elimination of slums and urban blight pursuant to Chapter 608 of the Laws of 1956, or in an area for which a preliminary or final plan has been approved pursuant to Chapter 688 of the Laws of 1957 or Chapter 924 of the Laws of 1958 or Chapter 971 of the Laws of 1960, or in an area for which an urban renewal plan or tests, studies, or demonstrations have been approved pursuant to Article 15 of the General Municipal Law. In addition, the dwelling must be certified by the project board for the area as a dwelling which is to be or has been approved in conformity with such replanning, reconstruction, neighborhood improvement, studies, tests, demonstrations, or plan.
 - e. In the case of alterations or improvements to eliminate fire or health hazards (including asbestos abatement), tax exemption and abatement does not apply to any portion of the property that increases the gross cubic content of the building.
 - f. Except for (1) multiple dwellings where units have been newly created by substantial rehabilitation of vacant buildings or conversion of nonresidential buildings, (2) multiple dwellings containing a total of 10,000 or more units which were developed as a planned community and are owned as two separate condominiums, or (3) multiple dwellings, buildings, and structures owned and operated by a mutual redevelopment company established under Article 5 of the Private Housing Finance Law, the assessed value of the property, including land, must not exceed \$40,000 per dwelling unit at the time of the start of alterations or improvements.
 - g. In the case of an eligible improvement, when the improvement is accompanied by an increase in the building's floor area, a tax exemption, but not tax abatement, applies in the additional floor area when the additional area is less than 50 percent of the completed building's floor area. In designated areas of Manhattan, the improvement also must be aided by a grant, loan or subsidy from a federal, state or local agency.
- 4. Certification by State or Local Government:** The project board of the eligible area in which the property is located must certify that the dwelling is one which satisfies the requirements for that area (see Property Use Requirements, Item d, above).
- 5. Required Construction Start Date or Other Time Requirement :**
Cities in which Multiple Dwelling Law applies (currently applies only in New York City, based on the 2010 federal census):

Conversion of residential units that are registered with the NYC Loft Board as an interim multiple dwelling": project must be completed by June 30, 2015.

A. ELIGIBILITY REQUIREMENTS (continued):**5. Required Construction Start Date or Other Time Requirement (continued):**

Alterations or improvements that (1) are undertaken by a housing development fund company organized pursuant to PHFL Article 11 and (2) are carried out with either (a) substantial financial assistance from a government agency or (b) in a property transferred from the city if the project is completed within seven years after the date of transfer: project must be completed within 60 months and by June 30, 2015.

Where multiple alterations or improvements are undertaken in a planned community (as described in Property Use Requirements, paragraph f., above) and a separate application for benefits resulting from such alterations or improvements is made, all requirements concerning physical condition of and compliance with law by the multiple dwellings in such planned community will apply only upon completion of all such improvements or alterations, provided that such projects are completed within six years and prior to December 31, 2005.

All other projects: project must be completed within 30 months and by June 30, 2015. The local housing agency is authorized to grant an extension of the period of completion for any project carried out with substantial financial assistance from a government agency, provided that the alterations or improvements are completed within 60 months from commencement of construction.

B. LOCAL OPTION: Yes -- Each city may choose whether or not to allow the tax exemption; if exemption is allowed, tax abatement is mandatory, except for floor space added to an existing building which is not eligible for abatements. The option must be exercised through adoption of a local law or ordinance, which may restrict the eligibility requirements, scope of exemption, and amount of benefits under this statute beyond the limits specified by state law. In cities in which the Multiple Dwelling Law does apply (New York City), the option may be exercised at any time up to and including January 1, 2015.

Any local law or ordinance providing benefits under this exemption must also provide, with respect to a conversion, alteration or improvement for which application was made after January 30, 2013, that should the such a project not be completed by the date of initial inspection by the Department of Housing and Preservation development, the applicant must then pay two times the actual cost for any additional inspections needed to verify completion of the project.

The taxing jurisdiction has an additional option in its local law or ordinance to require the electronic filing of applications for this exemption.

NOTE: The revocation of benefits granted to any multiple dwelling, building or structure does not exempt any dwelling unit therein from continued compliance with the requirements of this exemption, or of any local law or ordinance providing for such benefits.

C. LIMITATION ON EXEMPTION:

	General Municipal Taxes	School District Taxes	Special Ad Valorem Levies	Special Assessments
1. Amount	Yes*	Yes*	No exemption allowed	No exemption allowed
2. Duration	Yes*	Yes*	No exemption allowed	No exemption allowed
3. Taxing Jurisdiction				
a. County or County Special Districts	Ex**	NA	Tax	Tax
b. City	Ex**	NA	NA	Tax
c. Town or Town Special District	Ex**	NA	Tax	Tax
d. Village	Ex**	NA	NA	Tax
e. School District	NA	Ex**	NA	NA

Ex - Exempt

Tax - Taxable

NA - Not Applicable

* Both tax exemption and tax abatement are limited in amount and duration -- see Calculation of Exemption below.

** If allowed by local option.

D. **PAYMENTS IN LIEU OF TAXES:** None required.

E. **CALCULATION OF EXEMPTION:**

1. **General Municipal and School District Taxes:** See chart beginning on next page.
2. **Special Ad Valorem Levies and Special Assessments:** No exemption allowed.

F. **CODING OF EXEMPTION ON ASSESSMENT ROLL:**

<u>Code</u>	<u>Description of Alternative Codes Possible</u>
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4807_

Assessment Roll Section(s): Taxable (RPS Section 1).

NOTE: This code should not be used to identify property that is exempt under any of the statutes listed under Similar Exemptions below.

G. **FILING REQUIREMENTS (Owner or Occupant of Property):** Visit the website of the New York City Department of Finance. (See also B. Local Option).

H. **REPORTING REQUIREMENTS (Assessor):** None.

I. **SIMILAR EXEMPTIONS:** See Charts IA and IB.

Further information on this program in New York City (known there as the J-51 program) is available at www.nyc.gov/dof.

C. LIMITATION ON EXEMPTION:

	General Municipal Taxes	School District Taxes	Special Ad Valorem Levies	Special Assessments
1. Amount	Local option may limit*	Local option may limit*	No exemption allowed	No exemption allowed
2. Duration	Yes**	Yes**	No exemption allowed	No exemption allowed
3. Taxing Jurisdiction				
a. County or County Special Districts	Ex***	NA	Tax	Tax
b. City	Ex***	NA	NA	Tax
c. Town or Town Special District	Ex***	NA	Tax	Tax
d. Village	Ex***	NA	NA	Tax
e. School District	Ex***	Ex***	NA	NA

Ex - Exempt

Tax - Taxable

NA - Not Applicable

* Rehabilitation projects - amount may be limited to either (1) part of the increase in assessed value that exceeds the value of the property at the time of acquisition by the redevelopment company that originally undertook the project or (2) part of the total assessed value of the project. Other projects - amount may be limited as described in (1) above. For rehabilitation projects there are minimum limits on the amount of taxes to be paid; taxes may not be less than 10% of the annual shelter rent or carrying charges of the project.

** The duration of the exemption is limited to the period provided by the local option, but may not exceed 25 years, unless one of the following cases exists:

1. The project is owned by a mutual redevelopment company and would require substantial increases in the carrying charges of the project if the exemption expiration date were enforced. In such case, the local legislative body may

C. LIMITATIONS ON EXEMPTION (continued):

Footnotes (continued)

contract to extend such exemption period for no more than 25 additional years, provided (a) the average rate of tax exemption for the additional period does not exceed 50%, (b) the rate of tax exemption for the first two years of the additional period is equivalent to that of the last year of the original exemption period, and (c) the rate of tax exemption thereafter will be reduced in equal decrements every two years.

For such projects located in New York City, the City Council may authorize the exemption during the final 11 years of the additional 25-year period, provided that the amount of taxes to be paid by the mutual redevelopment company in the 11-year period may not be less than an amount equal to the greater of: (1) ten percent of the annual rent or carrying charges of the project minus utilities for the residential portion of the project, or (2) the taxes payable by the company for the residential portion of the project in the fourteenth year of the additional 25-year exemption period. The Council may further extend the period of the additional 25-year exemption, up to a total of 35 years from the date of expiration of the initial tax exemption, provided that the amount of taxes to be paid by the mutual redevelopment company during the extension beyond the additional 25-year period may not be less than an amount equal to the greater of: (a) 10% of the annual rent or carrying charges of the project minus utilities for the residential portion of the project, or (b) the taxes payable by the company for the residential portion of the project in the fourteenth year of this additional 25-year exemption period.

2. For projects other than redevelopment projects undertaken by a mutual redevelopment company, the local legislative body may grant an additional tax exemption period upon the expiration of the initial 25-year tax exemption period. The extension may be for a term of 40 years, or until such time as the project is no longer operated under the affordability criteria outlined under Property Use Requirements (see above), whichever is sooner. Unless otherwise approved by the local legislative body, the taxes payable by the redevelopment company during the additional tax exemption period may not be less than a) the taxes payable by such company in accordance with the resolution for such redevelopment company that was approved by the local legislative body and that was in effect immediately prior to the expiration of the initial tax exemption period, or b) if there is no such resolution, the taxes payable by such company in accordance with the terms of this exemption authorized immediately prior to the expiration of the initial tax exemption.
3. The project is permanently financed by a federally aided mortgage. In such case, the exemption will continue as long as the mortgage is outstanding, but in no event for more than 40 years.

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Farm Silos, Farm Feed Grain Storage Bins,
Commodity Sheds, Bulk Milk Tanks and Coolers,
and Manure Storage and Handling Facilities

RPTL Section 483-a

Exemption Code(s): 42100

Year Originally Enacted: 1994

Related Statutes: None

SUMMARY: Silos for preserving and storing forage in edible condition which are permanently affixed to agricultural land, farm feed grain storage bins, commodity sheds, bulk milk tanks and coolers used to hold milk awaiting shipment to market, manure storage, and handling and treatment facilities (including anaerobic digesters) are exempt from taxation, special ad valorem levies, and special assessments.

A. ELIGIBILITY REQUIREMENTS:

1. Ownership Requirements: None.
2. Property Location Requirements: Structure must be affixed to agricultural land.
3. Property Use Requirements: Structure must be one of the following: a silo for preserving edible forage, a limited use structure designed and used for the storage of grains, farm feed grains and other feed components which may have a flat or conical bottom and is designed specifically for on-farm storage, a bulk milk tank or cooler used to hold milk prior to shipment to market, manure storage, or handling and treatment facilities, including composting or anaerobic digestion of agricultural materials, such as livestock manure and farming wastes, food residuals or other organic wastes associated with food production or consumption of at least 50 percent by weight of its feedstock on an annual basis being livestock manure, farming wastes and crops grown specifically for use as anaerobic digestion or composting feedstock and including any equipment necessary to producing, collecting, storing, cleaning and converting biogas into forms of energy and transporting biogas or energy on-site. For purposes of this exemption food residuals means organic material, including, but not limited to, food scraps, food processing residue, and related soiled or unrecyclable paper used in food packing, preparation or cleanup.
4. Certification by State or Local Government: None required.
5. Required Construction Start Date or Other Time Requirement: None.

B. LOCAL OPTION: No.

C. LIMITATION ON EXEMPTION:

	General Municipal Taxes	School District Taxes	Special Ad Valorem Levies	Special Assessments
1. Amount	No limit	No limit	No limit	No limit
2. Duration	No limit	No limit	No limit	No limit
3. Taxing Jurisdiction				
a. County or County Special Districts	Ex	NA	Ex	Ex
b. City	Ex	NA	NA	Ex
c. Town or Town Special District	Ex	NA	Ex	Ex
d. Village	Ex	NA	NA	Ex
e. School District	NA	Ex	NA	NA

Ex - Exempt

Tax - Taxable

NA - Not Applicable

D. PAYMENTS IN LIEU OF TAXES: None required.

However, certain penalty payments are required if land that benefited from an agricultural assessment is converted to a use inconsistent with agricultural production. Except as provided below, if any portion of the land is voluntarily converted to a use other than agricultural production, that portion becomes subject to payments equal to five times the taxes saved in the last year in which land benefited from the exemption plus 6% interest compounded annually up to five years.* No payments are required: (1) if agricultural land is converted to use for oil, gas, or wind energy exploration, development or extraction, (2) if the land is taken by eminent domain or other involuntary proceeding other than a tax sale, or (3) if the land is encumbered by a conservation easement conveyed from New York City to New York State, which prohibits future agricultural use.

E. CALCULATION OF EXEMPTION:

1. General Municipal and School District Taxes: 100% of assessed value of the eligible land in excess of the agricultural assessment.** It should be noted that where orchards, vines, and support structures exist on qualified land no additional assessments can be made to reflect these items since they are considered to be included in the agricultural assessment values.

Calculation of the exemption is facilitated by reading pages 4 and 5 of the application form, Form RP-305, or Form RP-305-r-ws for renewal properties.

Structures used on land used in agricultural production must be assessed at an amount not to exceed the cost of replacement new at current prices less a deduction for (a) physical depreciation calculated in accordance with Assessor's Manual Volume 7, distributed by ORPTS, and (b) if applicable, functional and economic obsolescence. Such structures are those used:

- a. For the production or storage of crops, livestock, or livestock products as defined under Property Use Requirements above.
- b. For the storage of equipment and/or supplies used in agricultural production.
- c. In whole or in part as farm labor dwellings, except for structures used as the principal residence of the owner of the structure.

* Conversion is defined by law as "an outward or affirmative act changing the use of agricultural land." Nonuse of agricultural land does not constitute conversion.

** The agricultural assessment is determined annually by multiplying the number of eligible acres by the appropriate ORPTS agricultural assessment values and the latest state equalization rate or special equalization rate. The special equalization rate is to be used where such a rate has been established as a result of a change in the level of assessment of all other property in the assessing unit. If the rate exceeds 100, a special equalization rate of 100 will be certified by ORPTS for use in calculating the agricultural assessment. (The amount of the annual agricultural assessment value change is limited to two percent.)

E. **CALCULATION OF EXEMPTION (continued):**

1. **General Municipal and School District Taxes (continued):**

d. For on-farm processing or on-farm retail merchandising, provided that at least 75% of the annual volume of such processing or merchandising uses crops, crop products, livestock, or livestock products, as defined under Property Use Requirements above, produced on land comprising one distinct agricultural operation.

2. **Special Ad Valorem Levies and Special Assessments:** 100% of assessed value of the eligible land in excess of agricultural assessment on land used primarily for agricultural production and in an agricultural district, including land in an agricultural district used in agricultural production but which does not satisfy all of the requirements for an agricultural assessment. However, this excludes the a lot up to ½ acre surrounding any dwelling or non-farm structure located on such land and also excludes any farm structure that benefits directly from the service of the improvement district involved. The exemption applies only to special ad valorem levies, benefit assessments, and other rates and fees imposed within improvement districts or areas deemed benefited by municipal improvements for purposes such as sewer, water, lighting, non-farm drainage, solid waste disposal, or other landfill operations.

The governing body of a fire, fire protection, or ambulance district which was formed prior to the formation of the agricultural district in which the agricultural land is located and for which special ad valorem levies or special assessments are imposed may adopt a resolution allowing the use of agricultural assessments in the levy of such charges on such agricultural land. If such local option applies, the exemption is calculated as described under General Municipal and School District Taxes above.

F. **CODING OF EXEMPTION ON ASSESSMENT ROLL:**

<u>Code</u>	<u>Description of Alternative Codes Possible</u>
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41720

Assessment Roll Section(s): Taxable (RPS Section 1).

NOTE: This code should not be used to identify property that is exempt under any of the statutes listed under Similar Exemptions below. For coding of such property, see the Exemption Profile for the statute that applies.

D. PAYMENTS IN LIEU OF TAXES: None required.

However, certain penalty payments are required if land that benefited from an agricultural assessment is converted to a use inconsistent with agricultural production. Except as noted below, if the land or **any portion** of the land is voluntarily converted to a use other than agricultural production at any time within eight years from the time an agricultural assessment was last received, that portion becomes subject to payments equal to five times the taxes saved on the land converted in the last year in which the land benefited from the agricultural assessment plus 6% interest compounded annually up to five years.* No payments are required: (1) if agricultural land is converted to use for oil, wind energy, or gas exploration, development, or extraction, (2) if the land is taken by eminent domain or other involuntary proceeding other than a tax sale, or (3) if the land is encumbered by a conservation easement conveyed from New York City to New York State, which prohibits future agricultural use.

E. CALCULATION OF EXEMPTION:

1. **General Municipal and School District Taxes:** 100% of assessed value of the eligible land in excess of the agricultural assessment.** It should be noted that where orchards, vines, and support structures exist on qualified land no additional assessments can be made to reflect these items since they are considered to be included in the agricultural assessment values.

Calculation of the exemption is facilitated by pages 4 and 5 of the application form, Form RP-305 or Form RP-305-r-ws for renewal properties.

Structures used on land in agricultural production must be assessed at an amount not to exceed the cost of replacement new at current prices less a deduction for (a) physical depreciation calculated in accordance with Assessor's Manual Volume 7, distributed by ORPTS, and (b) if applicable, functional and economic obsolescence. Such structures are those used:

- a. For production or storage of crops, livestock, or livestock products as defined under Property Use Requirements above.
- b. For the storage of equipment and/or supplies used in agricultural production.

* Conversion is defined by law as "an outward or affirmative act changing the use of agricultural land." Nonuse of agricultural land does not constitute conversion.

** The agricultural assessment is determined annually by multiplying the number of eligible acres by the appropriate agricultural assessment values and the latest state equalization rate or special equalization rate. The special equalization rate is to be used where such a rate has been established as a result of a change in the level of assessment of all other property in the assessing unit. If the rate exceeds 100, a special equalization rate of 100 will be certified by ORPTS for use in calculating the agricultural assessment. (The amount of the annual agricultural assessment value change is limited to two percent.)

E. CALCULATION OF EXEMPTION (continued):

1. General Municipal and School District Taxes:

- c. In whole or in part as farm labor dwellings, except for structures used as the principal residence of the owner of the structure.
- d. For on-farm processing or on-farm retail merchandising, provided that at least 75% of the annual volume of such processing or merchandising uses crops, crop products, livestock, or livestock products, as defined under Property Use Requirements above, produced on land comprising one distinct operation.

2. Special Ad Valorem Levies and Special Assessments: The governing body of a water, lighting, sewer, sanitation, fire, fire protection, or ambulance district for whose benefit a special ad valorem levy or a special assessment is imposed may adopt a resolution allowing the use of agricultural assessments in the levy of such charges. If such local option applies, the exemption is calculated as described under General Municipal and School District Taxes above.

F. CODING OF EXEMPTION ON ASSESSMENT ROLL:

<u>Code</u>	<u>Description of Alternative Codes Possible</u>
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41730

Assessment Roll Section(s): Taxable (RPS Section 1).

NOTE: This code should not be used to identify property that is exempt under any of the statutes listed under Similar Exemptions below. For coding of such property, see the Exemption Profile for the statute that applies.

G. FILING REQUIREMENTS (Owner or Occupant of Property):

1. One of the following two forms must be submitted annually for each separately assessed parcel included in the farm property:

a. Form RP-305 Agricultural Assessment Application

Form required in the first year of exemption and in any subsequent years in which changes have occurred in the condition of the parcel. In addition, the form must be accompanied by a Soil Group Worksheet (Ag-Mkts Form APD-1 (12/97)) and a soil map prepared by the Soil and Water Conservation District office, unless as a result of a prior application the assessor already has a worksheet and map which accurately describe the parcel.