

DRAFT LBDC

A BUDGET BILL submitted by the Governor  
in accordance with Article VII of the Constitution

AN ACT to amend the real property tax law, in relation to STAR  
recoupment program

The People of the State of New York, represented in Senate and Assem-  
bly, do enact as follows:

1 Section 1. Subdivision 15 of section 425 of the real property tax law,  
2 as added by section 1 of part E of chapter 59 of the laws of 2015, is  
3 amended to read as follows:

4 15. Recoupment of exemptions by commissioner. (a) Generally. If the  
5 commissioner should determine, based upon data collected under the STAR  
6 registration program, that property improperly received the basic STAR  
7 exemption [on] in the current school year or one or more of the three  
8 preceding [assessment rolls] school years, the commissioner shall treat  
9 the exemption as an improperly granted exemption and proceed in the  
10 manner provided by this subdivision; provided that final assessment  
11 rolls that were filed prior to April first, two thousand eleven shall  
12 not be subject to the provisions of this subdivision.

13 (b) Procedure. The tax savings attributable to each such improperly  
14 granted exemption shall be collected from the owners whose property  
15 improperly received the exemption for the applicable year, together with  
16 interest as specified in this subdivision, by utilizing any of the  
17 procedures for collection, levy, and lien of personal income tax set  
18 forth in article twenty-two of the tax law, any other relevant proce-  
19 dures referenced within the provisions of that article, and any other  
20 law as may be applicable, so far as practicable when recouping the  
21 exemption amount pursuant to this subdivision, except that:

1     (i) in order for the recoupment procedure to be considered timely, the  
2 notice required by subparagraph (ii) of this paragraph must be mailed no  
3 later than three years after the conclusion of the school year for which  
4 the exemption in question was granted, or in the case of an exemption  
5 that was granted for the two thousand twelve--two thousand thirteen  
6 school year, no later than September thirtieth, two thousand sixteen;

7     (ii) prior to directing that an improperly granted exemption be  
8 recouped pursuant to this subdivision, the commissioner shall provide  
9 the owners with notice and an opportunity to show the commissioner that  
10 the exemption was properly granted. If the owners fail to respond to  
11 such notice within forty-five days from the mailing thereof, or if their  
12 response does not show to the commissioner's satisfaction that the  
13 eligibility requirements were in fact satisfied, the commissioner shall  
14 proceed with the recoupment of the improperly granted exemption in  
15 accordance with the provisions of this subdivision; and

16     [(ii)] (iii) notwithstanding the provisions of paragraph (b) of subdi-  
17 vision six of this section, neither an assessor nor a board of assess-  
18 ment review has the authority to consider an objection to the recoupment  
19 of an exemption pursuant to this subdivision, nor may such an action be  
20 reviewed in a proceeding to review an assessment pursuant to title one  
21 or one-A of article seven of this chapter. Such an action may only be  
22 challenged before the department. If an owner is dissatisfied with the  
23 department's final determination, the owner may appeal that determi-  
24 nation to the board in a form and manner to be prescribed by the commis-  
25 sioner. Such appeal shall be filed within forty-five days from the issu-  
26 ance of the department's final determination. If dissatisfied with the  
27 board's determination, the owner may seek judicial review thereof pursu-  
28 ant to article seventy-eight of the civil practice law and rules.     The

1 owner shall otherwise have no right to challenge such final determi-  
2 nation in a court action, administrative proceeding, including but not  
3 limited to an administrative proceeding pursuant to article forty of the  
4 tax law, or any other form of legal recourse against the commissioner,  
5 the department, the board, the assessor, or any other person, state  
6 agency, or local government.

7 (c) The amount to be recouped for each improperly received exemption  
8 shall have interest added at the rate prescribed by section nine hundred  
9 twenty-four-a of this chapter or such other law as may be applicable for  
10 each month or portion thereof since the levy of school taxes upon such  
11 assessment roll.

12 (d) In the event that a revocation of prior exemption pursuant to  
13 subdivision twelve of this section or a voluntary renunciation of the  
14 STAR exemption pursuant to section four hundred ninety-six of this  
15 [chapter] article has occurred, the provisions of this subdivision shall  
16 not be applicable to the exemptions so revoked or voluntarily renounced.

17 § 2. This act shall take effect immediately.