



## OFFICE OF COUNSEL

### Summary of 2025 Real Property Tax Legislation

*This publication summarizes noteworthy 2025 legislation related to real property tax administration. These descriptions are intended only as a source of general information about the key elements of the new laws. For a more complete and authoritative account of what these new laws do, the best resource is, of course, the laws themselves. As used herein, "RPTL" means the Real Property Tax Law and "Tax Department" means the Department of Taxation and Finance.*

#### EXEMPTION ADMINISTRATION

##### **Agricultural assessments; Cannabis as a crop**

Chapter 2 (A.417) • Agriculture and Markets Law § 301(2)(m)

Chapter 2 makes a technical amendment to legislation enacted in 2024 (Chapter 605) that expanded the definition of crops for purposes of the agricultural assessment program to include cannabis. The technical amendment made by Chapter 2 clarifies that for cannabis to qualify as a crop for this purpose, it must be cultivated in accordance with the Cannabis Law.

##### **Climate change property tax relief act**

Chapter 95 (S.821) • L.2024, c.673; RPTL § 467-n

Chapter 95 authorizes a local option tax exemption for certain properties affected by major or local disasters occurring on or after January 1, 2020. To be eligible, the property generally must be an owner-occupied residential property with no more than three dwelling units, or a small business. The exemption amount depends on the amount of property damage, as demonstrated by documentation submitted by the applicant. Eligible property will be exempt on the impacted assessment roll and up to four subsequent rolls, depending on local option. This exemption program replaces the tax abatement program enacted by Chapter 673 of 2024.

##### **Housing; Low-income transferees**

Chapter 432 (A.355-c) • RPTL § 457-a

Chapter 432 generally authorizes a local option exemption for property transferred from a nonprofit housing organization, community land trust, or land bank to a low-income household. The exemption percentage would be between 25% and 75%, as determined by the municipality.

##### **Housing; Residential redevelopment inhibited property**

Chapter 434 (A.6770) • RPTL § 485-r

Chapter 434 generally encourages the investment in, and rehabilitation of, dilapidated owner-occupied one, two, three and four family homes by granting a local option tax exemption based on the amount invested into the property. If a city, town or village should opt to offer the exemption, the county or school district in which it is located may do so as well.

##### **Housing Finance Agency**

Chapter 170 (A.8571) • RPTL § 421-d

Chapter 170 extends certain statutory authorizations relating to the New York State Housing Finance Agency and increases its bonding authority. One of the statutes that was extended is

the exemption authorized by RPTL § 421-d for the construction of multiple dwellings financed by the HFA. That statute had been set to sunset on July 23, 2025, but this legislation keeps it (and the other HFA-related statutes) in effect until July 23, 2027.

### **Military service members on active duty in combat zones**

Chapter 677 (S.2068-a) • RPTL § 458-d

Chapter 677 authorizes an exemption for residential property owned by a member of the United States Armed Forces, National Guard or New York Naval Militia who “at any time during the taxable year performed active duty in the armed forces in a combat zone.” To be eligible, the servicemember must have been assigned to a military duty station that “places” their residence within New York State. In a municipality that has opted to offer this exemption, the assessment of an eligible service member’s “qualifying residential real property” would be reduced by 25% or \$20,000 in full value terms, whichever is less, unless the municipality has opted to set a lower cap. The exemption does not apply to school taxes. Upon signing this measure into law, the Governor issued an Approval Message (# 58), a copy of which appears below.

### **Senior citizens; income limits**

Chapter 581 (A.3698-a) • RPTL § 467(1)(b)(4)

Chapter 581 gives municipalities the option to increase the exemption percentages for recipients of the Senior Citizens Exemption whose incomes are below the upper limit. This effectively supplements the existing “sliding scale” options in a manner that benefits lower-income seniors. The added exemption options would be tied to the locally-set maximum income eligibility income for the 50% exemption; with a 50% exemption for seniors with incomes between M and M minus \$1000, a 55% exemption for seniors with incomes between M minus \$1000 and M minus \$2000, a 60% exemption for seniors with incomes between M minus \$2000 and M minus \$3,000, and a 65% exemption for seniors with incomes more than \$3000 below M. Thus, in a municipality that has set \$50,000 as the upper limit for the 50% exemption, the following tiers could be added to the local exemption schedule:

Income	Exemption Pct
Less than \$50,000 but more than \$49,000	50%
Less than \$49,000 but more than \$48,000	55%
Less than \$48,000 but more than \$47,000	60%
Less than \$47,000	65%

It should be noted that this new option that was added by Chapter 581 applies only to the Senior Citizens Exemption. It does not apply to other income-based exemptions, such as the exemption for persons with disabilities (RPTL § 459-c).

### **STAR program**

Chapter 59 (A.3009-c), Part O • RPTL § 425; Tax Law § 606(eee)

Chapter 59, Part O, generally simplifies the income and age eligibility requirements for the STAR exemption and STAR credit programs. Most notably, it provides that:

1. Age: To be eligible for Enhanced STAR, only one of the resident owners must be age 65 or older; it is no longer necessary for all of them to be age 65 or older.
2. Nonresident owners: The income of nonresident owners is no longer considered when determining eligibility for Enhanced STAR.

3. Income worksheets: Low-income property owners who are not required to file income tax returns do not need to file income worksheets with ORPTS if they qualified for the exemption based on their worksheets for three consecutive years,
4. Changing Basic exemptions to Enhanced: If ORPTS advises an assessor that a Basic STAR exemption recipient meets the age or income requirements for Enhanced STAR, the assessor shall change that exemption to Enhanced without an application.

These changes generally take effect in 2026, although the modification of the income worksheet requirement (item # 3 above) has been in effect since May 9, 2025.

### **Surviving spouses of police officers killed in the line of duty**

Chapter 670 (S.683-a) • RPTL § 471

Chapter 670 authorizes counties, cities, towns and villages to offer an exemption to the surviving spouses of police officers who were killed in the line of duty. The exemption would reduce the taxable assessed value of their primary residences by 50%, unless the municipality opted to set a lesser reduction. Upon signing this measure into law, the Governor issued an Approval Message (# 51), a copy of which appears below.

### **Veterans, alternative; Space Force**

Chapter 611 (A.291-a) • RPTL § 458-a(1)(e)

Chapter 611 amends various laws to clarify that members of the Space Force are to be considered members of the Armed Forces or veterans. As such, they are eligible for benefits that are generally available under New York State law to members of the Armed Forces or veterans. One of its provisions (i.e., § 12) specifies that former members of the Space Force are to be considered veterans for purposes of the Alternative Veterans Exemption and may receive that exemption if otherwise qualified.

### **Veterans, alternative; Seriously disabled veterans**

Chapter 672 (S.1183) • RPTL § 458-a(11)

Chapter 672 provides that the primary residence of a veteran who has a 100% service-connected disability may be made fully exempt from taxation, special district charges, assessments and special ad valorem levies, at local option. The key eligibility requirements of this exemption may be summarized as follows:

1. The veteran's discharge or release must have been honorable, unless the requirements of the Restoration of Honor Act (L.2019, c.490) have been met.
2. The veteran's disability must have had the following consequences:
  - a. The veteran must be considered permanently and totally disabled as a result of military service;
  - b. The veteran must be rated 100% disabled by the United States Department of Veterans Affairs (USDVA);
  - c. The veteran must be rated by USDVA as individually unemployable; and
  - d. The veteran must either be eligible for pecuniary assistance from the United States government, or must have received pecuniary assistance from the United States government and applied such assistance toward the acquisition or modification of a suitable housing unit with special features or movable facilities made necessary by the nature of the veterans' disability.
3. The veteran must meet the eligibility requirements otherwise applicable to veterans under the Alternative Veterans Exemption (RPTL § 458-a).

Upon signing this measure into law, the Governor issued an Approval Message (# 53), a copy of which appears below.

### **Volunteer firefighters and ambulance workers; Pre-existing laws continued**

Chapter 244 (A.8657) • L.2022, c.670; RPTL §§ 466-a through 466-k

Chapter 244 delays the repeal of numerous laws that authorize local option exemptions for volunteer firefighters and ambulance workers in specific counties (namely, RPTL §§ 466-a to 466-k). Those laws had been scheduled to sunset on December 9, 2025, to allow a three-year transition period to the Statewide local option exemption for such volunteers authorized by RPTL § 466-a, as enacted by L.2022, Chap. 670. By virtue of Chapter 244, those county-specific exemption statutes are now scheduled to remain in effect through December 9, 2028.

### **Volunteer firefighters and ambulance workers; Surviving spouses, trusts and co-ops**

Chapter 592 (S.688-a) • RPTL § 466-a

Chapter 592 broadens the Statewide exemption for volunteer firefighters and ambulance workers in several respects, namely:

1. It provides that if the property owner is a surviving spouse of a volunteer firefighter or ambulance worker who was killed in the line of duty, the surviving spouse may:
  - a. receive an exemption of up to 50% of the assessed value of the property, depending on local option;
  - b. receive the exemption if their deceased spouse had between two and five years of service as a qualifying volunteer, depending on local option, and
  - c. retain the exemption if they remarry.
2. It provides that the surviving spouse of a deceased volunteer who was not killed in the line of duty may retain the exemption if they remarry.
3. It extends eligibility for the exemption to trust beneficiaries and, at local option, to residents of cooperative apartments.

### **Retroactive exemptions for specific properties**

In certain assessing units, the assessor has been authorized to accept an exemption application after taxable status date for a specific parcel owned by a named nonprofit or governmental entity that either acquired the parcel after taxable status date or acquired title but failed to apply for the exemption by taxable status date. Upon signing two of these measures (specifically, Chapters 658 and 687), the Governor issued Approval Messages (#39 and 66, set forth below) indicating that technical amendments will be forthcoming.

## **TAX COLLECTION AND ENFORCEMENT**

### **Tax bills; Installment payments**

Chapter 73 (S.741) • L.2024, c.373; RPTL §§ 922(1)(a)(xv), 974(2), 1338(2)

Chapter 73 provides that in any jurisdiction where installment payments are accepted, the tax bills shall specify the dates by which installments must be paid to avoid interest and penalties. This legislation amends similar legislation that was enacted in 2024 (Chapter 373) but that only applied to installment programs authorized by RPTL Articles 9 and 13.

## **MISCELLANEOUS**

### **Solar and wind energy systems; Valuation methodology**

Chapter 575 (S.8012) • RPTL § 575-b

Chapter 575 provides that, for purposes of the Tax Department's solar and wind appraisal model, revenue from federal investment and production tax credits and state environmental values, including renewable energy credits, may not be included as revenue. It also provides

that host community benefit payments, decommissioning expenses, and community solar subscriber management costs shall be included as expenses in the Department's appraisal model.

### **Manufactured homes; Certificates of title**

#### Chapter 636 (S.7120) • Real Property Law Article 9-E

Chapter 636 establishes a process for converting manufactured homes to real property, primarily to allow manufactured homes to be financed with a mortgage. The new law generally provides that if a manufactured home has been affixed to a permanent foundation, the owner may choose to surrender the certificate of title and record an "affidavit of affixation" with the County Clerk. The manufactured home would then be deemed to be real property and would be governed by the laws that apply to real property. It should be noted that Chapter 636 does not amend or override the provisions of RPTL § 102(12)(g) that define mobile homes as real property for purposes of the RPTL. As a result, a manufactured home that meets the criteria specified in RPTL § 102(12)(g) should be assessed and taxed as real property without regard to whether an affidavit of affixation has been recorded.

### **Legislation of local interest**

Enactments that are primarily of local interest include the following:

- In Rockland County:
  - An exemption has been authorized for active auxiliary Rockland County police offices by RPTL § 465 (Chap. 607; S.6977).
  - The formula for determining current base proportions for 2025 in the Towns of Orangetown, Clarkstown and Haverstraw has been modified (Chaps. 158, 190 & 340; A.4390, A.4391 & A.5364).
- In Nassau and Suffolk Counties:
  - Exemption have been authorized for members of certain rescue squads by RPTL §§ 466-m and 466-n (Chaps. 84 & 85; S.781 & S.782). *[Note: These exemptions replace the exemptions authorized by L.2024, Chaps. 606 & 607.]*
  - The Town of Southampton Homestead Exemption has been modified (Chap.90; S.803). *[Note: This exemption was originally enacted by L.2024, Chap. 645.]*
  - The formula for determining current base proportions in Nassau County and in the approved assessing units in Nassau and Suffolk counties has been modified for another year (Chap. 241; A.8568).
- In New York City:
  - The tax abatement for childcare centers has been increased, and the application deadline has been extended (Chap. 609; S.7685).
  - The minimum tax due from a mutual redevelopment company has been reduced (Chap. 430; A.8651-a).
  - The formula for determining current base proportions has been modified for another year (Chap. 487; S.7980).

## GOVERNORS' APPROVAL MESSAGES

### APPROVAL MEMORANDUM - No. 39 Chapter 658

MEMORANDUM filed with Assembly Bill Number 6657, entitled:

"AN ACT in relation to authorizing the Thiells-Roseville Fire District to file an application for exemption from school taxes and real property taxes"

APPROVED

This bill would authorize the Thiells-Roseville Fire District to file an application for exemption from school taxes and real property taxes.

This bill as originally drafted requires a technical fix due to the unique legal status of the Thiells-Roseville Fire District, which operates within a special district. As such, it is covered under a different section of the Real Property Tax Law ("RPTL") than was initially referenced in the bill. The provisions governing special districts differ from those applicable in the municipal fire districts. The technical correction is necessary for the Thiells-Roseville Fire District to properly qualify for the tax exemption under the applicable section of the RPTL governing special districts.

The Legislature has agreed to this chapter amendment and, with these changes, I am pleased to sign this bill into law.

This bill is approved.

(signed) KATHY HOCHUL

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### APPROVAL MEMORANDUM - No. 51 Chapter 670

MEMORANDUM filed with Senate Bill Number 683-A, entitled:

"AN ACT to amend the real property tax law, in relation to establishing a real property tax exemption for surviving spouses of police officers killed in the line of duty"

APPROVED

This bill would establish a real property tax exemption for widows and widowers of police officers killed in the line of duty.

I fully support this bill, which seeks to ease the financial burden on surviving spouses by creating a real property tax exemption for widows and widowers of police officers killed in the line of duty. However, the bill required a technical fix to incorporate an application process that would enable assessors to properly identify qualifying properties owned and occupied as primary residences by surviving spouses of these police officers.

The Legislature has agreed to this chapter amendment and, with these changes, I am pleased to sign this bill into law.

This bill is approved.

(signed) KATHY HOCHUL

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## **APPROVAL MEMORANDUM - No. 53 Chapter 672**

MEMORANDUM filed with Senate Bill Number 1183, entitled:

"AN ACT to amend the real property tax law, in relation to establishing a real property tax exemption for veterans who have a one hundred percent service connected disability"

APPROVED

This bill would expand the Alternative Veterans Exemption Real Property Tax Law (RPTL) Section 458-a by authorizing counties, cities, towns, villages and school districts to provide, at local option, a real property tax exemption to veterans with a 100% service-connected disability.

Service-connected disabilities can render veteran's incapable of gainful employment and providing for their families. This bill created a local option tax exemption for seriously disabled veterans that duplicated an existing mandatory provision. This redundancy could cause confusion about what additional benefit the new provision would offer. As such, the bill required a chapter amendment to clarify the overlapping provisions and correct the flawed language.

The Legislature has agreed to this chapter amendment and, with these changes, I am pleased to sign this bill into law.

This bill is approved.

(signed) KATHY HOCHUL

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## **APPROVAL MEMORANDUM - No. 58 Chapter 677**

MEMORANDUM filed with Senate Bill Number 2068-A, entitled:

"AN ACT to amend the real property tax law, in relation to a real property tax exemption for property owned by certain persons performing active duty in a combat zone"

APPROVED

This bill would establish a property tax exemption for active-duty service members whose residential property is located within New York State and who served in a combat zone during the taxable year.

The Real Property Tax Law authorizes multiple exemptions for military veterans yet offers none specifically for active-duty service members. While this bill closely mirrored an existing exemption, it contained structural deficiencies requiring a revision. Consequently, the bill required a chapter amendment to ensure active-duty service members would not be disadvantaged in receiving such real property tax exemptions and localities would not face the difficult choice of selecting between which property tax exemption to offer.

The Legislature has agreed to this chapter amendment and, with these changes, I am pleased to sign this bill into law.

This bill is approved.

(signed) KATHY HOCHUL

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**APPROVAL MEMORANDUM - No. 66 Chapter 687**

MEMORANDUM filed with Senate Bill Number 4043, entitled:

"AN ACT in relation to authorizing the Bedford Hills Fire District to file an application for exemption from school taxes and real property taxes"

APPROVED

This bill would authorize the Bedford Hills Fire District to file an application for retroactive exemption from school taxes and real property taxes for the 2022-2023 assessment roll.

This bill as originally drafted requires a technical fix due to the unique legal status of the Bedford Hills Fire District, which operates within a special district. As such, it is covered under a different section of the Real Property Tax Law ("RPTL") than was initially referenced in the bill. The provisions governing special districts differ from those applicable in the municipal fire districts. The technical correction is necessary for the Bedford Hills Fire District to properly qualify for the tax exemption under the applicable section of the RPTL governing special districts.

The Legislature has agreed to this chapter amendment and, with these changes, I am pleased to sign this bill into law.

This bill is approved.

(signed) KATHY HOCHUL

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**GOVERNORS' DISAPPROVAL MESSAGES**

**VETO MESSAGE - No. 121**

TO THE ASSEMBLY:

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

Assembly Bill Number 2177-A, entitled:

"AN ACT to amend the general municipal law, in relation to removing emergency medical services from the limit on real property tax levies by local governments"

NOT APPROVED

This bill would exclude the costs of Emergency Medical Services from the calculation of the limit upon municipal property tax levy increases imposed by the General Municipal Law.

The property tax cap, enacted in 2011, restricts the annual increase in local property tax levies by local governments and school districts to two percent or the rate of inflation, whichever is less. The tax cap has been effective in limiting local property tax growth, resulting in considerable savings for taxpayers. This bill, as written, could lead to substantially higher property taxes imposed on homeowners and businesses in communities throughout the state.

Therefore, I am constrained to veto this bill.

The bill is disapproved.

(signed) KATHY HOCHUL

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For the 2025 Legislative Status Chart, see <http://www.tax.ny.gov/research/property/legal/legis/25bills.htm>.