

MEMORANDUM IN SUPPORT

TITLE: A LOCAL LAW in relation to extending to the 2021–22 assessment roll the renewal of certain residential property taxation exemptions received on the 2020–21 assessment roll for persons 65 years of age or over and persons with disabilities, and provide for the repeal thereof

SUMMARY OF PROVISIONS:

This bill would implement provisions of the COVID-19 Emergency Eviction and Foreclosure Prevention Act of 2020 (Chapter 381 of the Laws of 2020) relating to extending tax exemptions for senior citizens and disabled homeowners that would otherwise be required to be renewed this year. These provisions are authorized in Subpart D of Part B of the Act.

Section one of the bill would define terms used in this law.

Section two of the bill would direct the Department of Finance (“DOF”) to extend, for the 2021-22 tax year, the senior citizen homeowner exemption (“SCHE”) or persons with disabilities homeowner exemption (“DHE”) to any person who received either exemption on the 2020–21 tax assessment r

oll. Recipients of SCHE or DHE do not need to submit a renewal application in order to receive this automatic extension.

Section three of the bill would allow that if DOF has reason to believe that a SCHE or DHE recipient has (i) changed primary residence, (ii) added another owner to the deed of the property, (iii) transferred the property to a new owner, or (iv) died, then DOF may require that recipient to file a renewal application for the 2021–22 tax assessment roll. DOF may not require these renewal applications to be filed in person.

Section four of the bill would allow a SCHE or DHE recipient to submit a renewal application if the recipient had a change in income that may qualify for a greater exemption on the 2021–22 tax assessment roll than was received in the prior year.

Section five of the bill would clarify that, because SCHE is usually granted for a two-year term, recipients of SCHE who receive an extension by this local law but would have otherwise been required to renew their exemption in 2021 will next be required to renew their exemption in 2023. This will maintain the staggering of applications on the two-year cycle.

Section six of the bill would make this law take effect immediately and retroactive to March 7, 2020, and be deemed repealed on July 2, 2022.

REASONS FOR SUPPORT:

On December 28, 2020, Governor Cuomo signed the COVID-19 Emergency Eviction and Foreclosure Prevention Act, into law. In light of the COVID-19 pandemic, the Act included several provisions to avoid as many evictions and foreclosures as possible for those suffering financial hardship and those who cannot move from their residence due to the ongoing pandemic emergency. Among these provisions, the Act extends, for the 2021-22 tax year, all SCHE and DHE that were granted for the 2020–21 tax year, which began on July 1, 2020.

The SCHE and DHE exemptions provide much needed real property tax benefits to eligible senior citizen homeowners and eligible homeowners with disabilities who are primary residents with qualifying incomes below \$58,400. In Fiscal Year 2020, the DOF granted some 48,483 SCHE exemptions and 2,888 DHE exemptions to eligible New Yorkers.

Absent the Act, DHE recipients must reapply for their exemption annually, and SCHE recipients must reapply for their exemption every 2 years. The Act temporarily waives those requirements with a limited exception, allowing the City by Local Law to require certain SCHE and DHE recipients to file renewal applications for the 2021–22 tax year. This bill would allow DOF to require a renewal application if DOF has reason to believe that the recipient would no longer qualify for the exemption because of a change of residency, addition of an owner to the deed, transfer of the property, or the death of the owner. Requiring renewals in these limited circumstances where DOF has reason to believe a benefit is not applicable will help ensure that the SCHE and DHE benefits continue to go to those who are eligible to receive them. The overwhelming majority of SCHE and DHE recipients would continue receiving their exemptions for the 2021–22 tax year without having to take any further action.

The bill would also permit current SCHE and DHE recipients to file renewal applications for 2021–22 if they may qualify for a greater exemption than they received in the prior tax year due to a change in income. This will enable recipients to receive the same benefit they received last year, or if they are eligible for a greater exemption, the full amount to which they are entitled in 2021–22.

The bill also sets a schedule for renewal of benefits in the future to maintain the current staggering of SCHE renewal applications. Currently, approximately half of SCHE recipients apply for the two-year renewals in even years, and approximately half apply in odd years. This balance enables DOF to administer the SCHE and DHE exemptions more efficiently. The bill maintains this schedule for the future so that this balance remains in place.

Accordingly, the Mayor urges the earliest possible favorable consideration of this legislation.

Respectfully submitted,



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Director, City Legislative Affairs