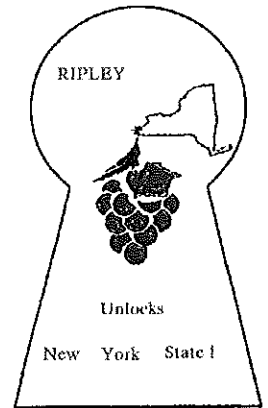


The Town of Ripley

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RIPLEY - GATEWAY TO NEW YORK STATE

TO: Ripley Town Board

FROM: Jason K. Jones

DATE: March 24, 2022

SUBJECT: Requesting law proposal: "Real Property Tax Exemption for Commercial Business or Industrial Real Property"

NYS Real Property tax law section 485-b was passed in 1987 by the state to encompass Commercial or Industrial properties in disrepair to be eligible for property tax reprieve to encourage the refurbishment of such properties.

I firmly believe with the Town's recent addition of the Love's Truckstop that any opportunity to better our township is in our best interest. Currently the commercial interest in our area is on new construction i.e., Love's and with the solar project the trend will continue. With incentives I believe the Town will see an increase of repairing the infrastructure that is currently in place along with new construction making the exemption beneficial to both Town and Citizen alike.

See the attached State guidelines as well as the application for signing up for the exemption.

Thank you for your consideration and attention into this matter.

Respectfully submitted,

Jason K. Jones
Sole Assessor
716-736-4050 Ripley Office
716-581-1777 Cell phone



**NEW YORK STATE DEPARTMENT OF TAXATION & FINANCE
OFFICE OF REAL PROPERTY TAX SERVICES**

**INSTRUCTIONS FOR APPLICATION FOR
REAL PROPERTY TAX EXEMPTION FOR COMMERCIAL,
BUSINESS OR INDUSTRIAL REAL PROPERTY
(Real Property Tax Law, Section 485-b)**

1. Authorization for exemption

Section 485-b of the Real Property Tax Law authorizes a partial exemption from real property taxation for commercial, business or industrial property constructed, altered, installed or improved subsequent to July 1, 1976 or a later date as specified in a county's, city's, town's, or village's local law or in a school district's resolution. The cost of such construction, alteration, installation or improvement must exceed \$10,000 or a higher minimum, not to exceed \$50,000, as may be provided in such local law or resolution. Ordinary maintenance and repairs do not qualify for exemption. The property must not be receiving or have received any other exemption authorized by the Real Property Tax Law with respect to the same improvements, unless during the period of the prior exemption, payments in lieu of taxes were made in amounts that were at least equal to the taxes that would have been paid had the property been receiving the section 485-b exemption.

Municipalities may limit the exemption to specific geographic areas and to sectors and subsectors of businesses as defined in the North American Industry Classification System. Where a county restricts the exemption pursuant to the recommendations of its local industrial and commercial incentive board, such restrictions also apply to cities, towns and villages, and school districts therein, unless those municipalities adopt local laws or (school district) resolutions providing otherwise. Consult your assessor to ascertain what limits, if any, apply locally.

2. Duration and computation of exemption

Generally the amount of the exemption in the first year is 50% of the increase in the assessed value attributable to the improvement. The exemption amount then decreases by 5% in each of the next nine years. This declining percentage continues to be applied to the increase in assessed value determined in the first year of the exemption, unless there is a change in level of assessment for an assessment roll of 15% or more, as certified by the Office of Real Property Tax Services, in which case an adjustment is required. A municipality which restricts the exemption to specific types of property and geographic areas may establish a different exemption schedule (i.e., 50% for one, two and three; 40, 30, 20% in years four, five and six; 10% in years seven, eight and nine; and 5% in year ten). Consult your assessor to ascertain the specific schedule or schedules that apply.

3. Application for exemption

The exemption may apply to charges imposed upon real property by or on behalf of a county, city, town, village or school district for municipal or school district purposes and to special ad valorem levies except those levied for fire district, fire protection district or fire alarm district purposes. However, the statute authorizes any county, city, town, village or school district (except the city school district of Buffalo, Rochester, Syracuse or Yonkers) to act independently on its own behalf to reduce the per centum of exemption otherwise allowed pursuant to this section. The exemption does not apply to costs incurred for ordinary maintenance and repairs nor to property used primarily for residential purposes other than hotels or motels. The exemption does not apply to the City of New York.

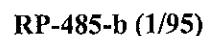
4. Filing of exemption

Application for exemption from county, city, town and school district taxes must be filed with the city or town assessor, not the Office of Real Property Tax Services. Application for exemption from village taxes must be filed with the assessor who prepares the assessment roll used in levying village taxes. In Nassau County, applications for exemption from county, town or school district taxes must be filed with the Nassau County Board of Assessors. In Tompkins County, applications for exemption from county, city, town, village or school district taxes must be filed with the Tompkins County Division of Assessment.

5. Time of filing application

The application must be filed in the assessor's office on or before the appropriate taxable status date and within one year from the date of completion of the improvements. In towns preparing their assessment rolls in accordance with the schedule provided in the Real Property Tax Law, the taxable status date is March 1. In towns in Nassau County, the taxable status date is January 2. Westchester County towns have either a May 1 or June 1 taxable status date; contact the assessor. In villages and cities, the taxable status dates vary, and the appropriate assessor should be consulted for the correct date.

Once the exemption has been granted, the exemption may continue for the authorized period provided that the eligibility requirements continue to be satisfied. It is not necessary to reapply for the exemption after the initial year in order for the exemption to continue.



**APPLICATION FOR REAL PROPERTY TAX
EXEMPTION FOR COMMERCIAL, BUSINESS OR INDUSTRIAL PROPERTY**
(Real Property Tax Law, Section 485-b)

(Instructions for completing this form are contained in Form RP-485-b-Ins)

1. Name and telephone no. of owner(s) _____

 Day No. () _____
 Evening No. () _____
 E-mail address (optional) _____
2. Mailing address of owner(s) _____

3. Location of property (see instructions)
- _____ Street address _____ Village (if any) _____
 _____ City/Town _____ School district _____
- Property identification (see tax bill or assessment roll)
 Tax map number or section/block/lot _____
4. Description of property for which exemption is sought:
- a. ☐ New construction ☐ Alteration ☐ Installation ☐ Improvement
- b. General description of property (if necessary, attach plans or specifications): _____

- c. Type of construction: _____
- d. Square footage: _____
- e. Total cost: _____
- f. Date construction, alteration, installation or improvement was started: _____
- g. Date completed (attach copy of certificate of occupancy or other documentation of completion): _____

- h. Describe any real property replaced or removed in connection with the new construction, alteration, installation or improvement: _____

5. Use of Property.

- a. Describe the primary use of the property and the type of business to be conducted. _____
- b. Describe any other use or uses of the property. _____
- c. Is any part of the real property used for a purpose other than buying, selling, storing or developing goods or services; the manufacture or assembly of goods or the processing of raw materials; or hotel or motel purposes? ☐ Yes ☐ No
- d. If yes, describe in detail the other use or uses of the property and state the extent to which the property is so used (e.g., 30% of floor space, 25% of income, etc.).

6. Other exemptions.

- a. Is the property receiving or has it ever received any other exemption from real property taxation? ☐ Yes ☐ No

- b. If yes, what exemption was received? _____ When? _____.

Were payments in lieu of taxes made during the term of that exemption? ☐ Yes ☐ No

If yes, attach a schedule showing the amounts and dates of such payments, and the purposes for which such payments were made (i.e., school district, general municipal, etc.). Also attach any related documentation, such as a copy of the agreement under which such payments were made.

CERTIFICATION

I, _____, hereby certify that the information on this application and any accompanying pages constitutes a true statement of facts.

Signature

Date

FOR ASSESSOR'S USE

1. Date application filed: _____ 2. Applicable taxable status date: _____
3. Action on application: ☐ Approved ☐ Disapproved
4. Assessed valuation of parcel in first year of exemption: \$ _____
5. Increase in total assessed valuation in first year of exemption: \$ _____
6. Amount of exemption in first year:

	Percent	Amount
County	_____	\$ _____
City/Town	_____	\$ _____
Village	_____	\$ _____
School District	_____	\$ _____

Assessor's signature

Date

Sec. 485-B

Business Investment Exemption

Real property constructed, altered, installed or improved subsequent to the first day of July, nineteen hundred seventy-six for the purpose of commercial, business or industrial activity shall be exempt from taxation and special ad valorem levies, except for special ad valorem levies for fire district, fire protection district and fire alarm district purposes, to the extent hereinafter provided.

(a) (i) Such real property shall be exempt for a period of one year to the extent of fifty per centum of the increase in assessed value thereof attributable to such construction, alteration, installation or improvement and for an additional period of nine years provided, however, that the extent of such exemption shall be decreased by five per centum each year during such additional period of nine years and such exemption shall be computed with respect to the "exemption base." The exemption base shall be the increase in assessed value as determined in the initial year of such ten year period following the filing of an original application, except as provided in subparagraph (ii) of this paragraph.

In any year in which a change in level of assessment of fifteen percent or more is certified for a final assessment roll pursuant to the rules of the commissioner, the exemption base shall be multiplied by a fraction, the numerator of which shall be the total assessed value of the parcel on such final assessment roll (after accounting for any physical or quantity changes to the parcel since the immediately preceding assessment roll), and the denominator of which shall be the total assessed value of the parcel on the immediately preceding final assessment roll. The result shall be the new exemption base. The exemption shall thereupon be recomputed to take into account the new exemption base, notwithstanding the fact that the assessor receives the certification of the change in level of assessment after the completion, verification and filing of the final assessment roll. In the event the assessor does not have custody of the roll when such certification is received, the assessor shall certify the recomputed exemption to the local officers having custody and control of the roll, and such local officers are hereby directed and authorized to enter the recomputed exemption certified by the assessor on the roll. The assessor shall give written notice of such recomputed exemption to the property owner, who may, if he or she believes that the exemption was recomputed incorrectly, apply for a correction in the manner provided by title three of article five of this chapter for the correction of clerical errors.

The following table shall illustrate the computation of the tax exemption: Year of exemption
Percentage of exemption 1 50 2 45 3 40 4 35 5 30 6 25 7 20 8 15 9 10 10 5 (b) No such exemption shall be granted unless (1) such construction, alteration, installation or improvement was commenced subsequent to the first day of January, nineteen hundred seventy-six or such later date as may be specified by local law or resolution; (2) the cost of such construction, alteration, installation or improvement exceeds the sum of ten thousand dollars or such greater amount as may be specified by local law or resolution; and (3) such construction, alteration, installation or improvement is completed as may be evidenced by a certificate of occupancy or other appropriate documentation as provided by the owner.

For purposes of this section the terms construction, alteration, installation and improvement shall not include ordinary maintenance and repairs.

No such exemption shall be granted concurrent with or subsequent to any other real property tax exemption granted to the same improvements to real property, except, where during the period of such previous exemption, payments in lieu of taxes or other payments were made to the local government in an amount that would have been equal to or greater than the amount of real property taxes that would have been paid on such improvements had such property been granted an exemption pursuant to this section. In such case, an exemption shall be granted for a number of years equal to the ten year exemption granted pursuant to this section less the number of years the property would have been previously exempt from real property taxes.

Such exemption shall be granted only upon application by the owner of such real property on a form prescribed by the commissioner. Such application shall be filed with the assessor of the city, town, village, or county having the power to assess property for taxation on or before the appropriate taxable status date of such city, town, village or county and within one year from the date of completion of such construction, alteration, installation or improvement.

If the assessor is satisfied that the applicant is entitled to an exemption pursuant to this section, he or she shall approve the application and such real property shall thereafter be exempt from taxation and special ad valorem levies, except for special ad valorem levies for fire district, fire protection district and fire alarm district purposes, as herein provided commencing with the assessment roll prepared after the taxable status date referred to in subdivision three of this section. The assessed value of any exemption granted pursuant to this section shall be entered by the assessor on the assessment roll with the taxable property, with the amount of the exemption shown in a separate column.

The provisions of this section shall apply to real property used primarily for the buying, selling, storing or developing goods or services, the manufacture or assembly of goods or the processing of raw materials. This section shall not apply to property used primarily for the furnishing of dwelling space or accommodations to either residents or transients other than hotels or motels.

In the event that real property granted an exemption pursuant to this section ceases to be used primarily for eligible purposes, the exemption granted pursuant to this section shall cease.

A county, city, town or village may, by local law, and a school district, except a city school district to which article fifty-two of the education law applies, may, by resolution, reduce the per centum of exemption otherwise allowed pursuant to this section; provided, however, that a project in course of construction and exemptions existing prior in time to passage of any such local law or resolution shall not be subject to any such reduction so effected. Any county, city, town, village or school district that has reduced the per centum of exemption pursuant to this subdivision may thereafter, by local law or resolution as the case may be, increase the per centum of exemption up to any per centum not exceeding the maximum allowed by subdivision two or twelve of this section, whichever is applicable, provided, however, that any such local law or resolution shall apply only to construction, alterations, installations, or improvements commenced subsequent to the effective date of such local law or resolution. A copy of all such local laws or resolutions shall be filed with the commissioner and the assessor of each assessing unit which comprises the county, city, town or school district or, in the case of a village, the village assessor, or the applicable town or county assessor of a village which has adopted a local law provided in subdivision three of section fourteen hundred two of this chapter.

A county, city, town or village may, by local law, and a school district, except a city school district to which article fifty-two of the education law applies may, by resolution, establish a date for the commencement of effectiveness of exemptions offered pursuant to this section and may provide that the provisions of this section shall apply only to construction, alteration, installation or improvements having a greater value than that specified by subdivision two of this section, provided, however, that such amount shall not exceed fifty thousand dollars.

(a) A county, city, outside the city of New York, town or village may, by local law, and a school district which levies school taxes may, by resolution, establish a board to be known as the industrial and commercial incentive board. The membership and composition of such board shall be set forth in the local law or resolution.

The industrial and commercial incentive board shall present a plan to the appointing local legislative body concerning the various types of business real property which should be granted eligibility for an exemption pursuant to subdivision one of this section. Such plan shall make recommendations concerning the applicability of the exemption to specific sectors and subsectors, as defined in the North American Industry Classification System published by the United States Government. Such plan shall also make a recommendation as to whether the exemption be computed as provided in subdivision two or twelve of this section. In addition, such plan shall identify specific geographic areas within which such exemptions should be offered. In developing the plan required by this paragraph, the board shall consider the planning objectives of each municipality within which such exemptions may be offered, the necessity of the exemption to the attraction or retention of such business and the economic benefit to the area of providing exemptions to various types of businesses.

In addition, the board may make recommendations to the appointing local legislative body with respect to actions it deems desirable to improve the economic climate therein.

Notwithstanding the provisions of paragraph (a) of this subdivision, where a county establishes an industrial and commercial incentive board, the members of such board shall be appointed as follows: three representatives of the county: the appointment of one shall be reserved to the county executive of the county who shall serve as chair, and one each for the majority and the minority parties of the county legislative body; one representative for each city located within the county upon the recommendation of the mayor; one representative for each of the towns located within the county upon the recommendation of the supervisor; one representative to collectively represent all of the villages located within the county upon the recommendation of the mayors of the villages in the county; and one representative to collectively represent all of the school districts located within the county upon recommendation of the county school boards association. The members of such board shall serve at the pleasure of the governing body which they represent. The members shall serve without salary, but the county legislative body may entitle each such member to reimbursement for his or her actual and necessary expenses incurred in the performance of his or her duties.

Where a county, city, town, village or school district has established an industrial and commercial incentive board, pursuant to subdivision nine of this section, such county, city, town or village may, by local law, and a school district, except a city school district to which article fifty-two of the education law applies, may, by resolution, restrict real property eligible to receive the exemption to real property constructed, altered, installed or improved for those purposes identified in the plan presented by the board. Such law or resolution shall identify the specific sectors and

subsectors, as defined in the North American Industry Classification System published by the United States Government to which the exemption shall be applicable. Such law or resolution shall also restrict the availability of such exemption to the specific geographic areas identified in the plan presented by the board.

Where a county, by law, restricts exemptions pursuant to the recommendations of an industrial and commercial incentive board, established pursuant to subdivision nine of this section, such restricted exemptions shall be applicable to taxes and special ad valorem levies of each city, town, village and school district located within the area within which the restricted exemptions are offered by the county, unless such city, town or village shall, by law, or such school district, shall, by resolution, determine that such restricted exemptions shall not be applicable to its tax and ad valorem levies. Upon adoption of such law, the county shall notify each affected city, town, village and school district of its actions and inform them of their options regarding such restricted exemptions.

Notwithstanding subdivision two of this section, where a county, city, town, village or school district adopts restricted exemptions pursuant to subdivision ten of this section, the law or resolution may provide that such exemptions shall be computed pursuant to the following accelerated strategic exemption schedule: Year of exemption Percentage of exemption 1 50 2 50 3 50 4 40 5 30 6 20 7 10 8 10 9 10 10 5 Provided however, that such law or resolution shall:

contain findings that the adoption of this accelerated strategic exemption schedule is necessary to encourage targeted economic development, create or retain permanent private sector jobs, and that the value of the exemptions to be provided is justified by the need to provide employment opportunities and broaden the tax base; and

limit the applicability of such schedule to projects where the cost of such construction, alteration, installation or improvement exceeds the sum of fifty thousand dollars; and

provide that such exemptions are restricted by geographic areas and/or groups and major divisions as is provided by subdivision ten of this section.

The provisions of this section shall not apply in a city of one million or more persons.