



NEW YORK STATE SENATOR

Kenneth P. LaValle

Governor Signs Lavalle Legislation Authorizing A Property Tax Exemption For New Green Buildings

KENNETH P. LAVALLE July 20, 2012

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Governor Andrew Cuomo has approved legislation authored by State Senator Ken LaValle that provides a tax incentive to builders and homeowners who construct energy efficient green buildings. The bill passed in the Assembly 140-0 and in the State Senate 59-0.

The legislation authorizes a local government or school district by local law, ordinance, or resolution to provide a real property tax exemption for construction or improvements constructed after January 1, 2013 which meet LEED certification standards for green buildings. It includes buildings constructed or improved for businesses as well as homeowners. In addition to LEED certification, the Green Building Initiative's Green Globes rating system, the American National Standards Institute, or other substantially equivalent standards for certification using a similar program for green buildings as determined by the municipal corporation would also be eligible for the exemption.

The level of exemption would be as follows:

Year Silver Gold Platinum

| | | | |
|----|------|------|------|
| 1 | 100% | 100% | 100% |
| 2 | 100% | 100% | 100% |
| 3 | 100% | 100% | 100% |
| 4 | 80% | 100% | 100% |
| 5 | 60% | 80% | 100% |
| 6 | 40% | 60% | 100% |
| 7 | 20% | 40% | 80% |
| 8 | 0% | 20% | 60% |
| 9 | 0% | 0% | 40% |
| 10 | 0% | 0% | 20% |

To be eligible for the tax exemption, the construction must exceed \$10,000, be certified as a green building, and be the subject of a valid building permit. Ordinary maintenance and repairs are not eligible for the exemption. The local assessor must approve the exemption and local governments may establish a maximum exemption amount.

Not only will this legislation reduce energy demand, it will promote economic development by encouraging new construction that meets green building standards. We can reduce our costs and our reliance on expensive energy by reducing demand in the first place.

“The new law will help create a cleaner environment, savings for businesses and home owners and creates incentives to build greener homes and businesses,” said Senator LaValle.

