

# STATE OF NEW YORK

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6008

2005-2006 Regular Sessions

## IN SENATE

November 28, 2005

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Introduced by Sens. LARKIN, WINNER, WRIGHT -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the social services law and the real property tax law, in relation to the assessment of parcels used for residential purposes and registered as family day care homes

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

1 Section 1. Subdivision 12 of section 390 of the social services law is  
2 amended by adding a new paragraph (c) to read as follows:

3 (c) Notwithstanding any other provision of law, but pursuant to  
4 section five hundred eighty-one-b of the real property tax law, no  
5 assessing unit, as defined in subdivision one of section one hundred two  
6 of the real property tax law, in the assessment of the value of any  
7 parcel used for residential purposes and registered as a family day care  
8 home pursuant to this section, shall consider the use or registration of  
9 such parcel as a family day care home.

10 § 2. The real property tax law is amended by adding a new section  
11 581-b to read as follows:

12 § 581-b. Assessment of parcels used for residential purposes and  
13 registered as family day care homes. Notwithstanding any inconsistent  
14 provision of law, in the assessment of any parcel used for residential  
15 purposes and registered as a family day care home pursuant to section  
16 three hundred ninety of the social services law, the use or registration  
17 of such parcel as a family day care home shall be completely disregarded  
18 in assessing the value of such parcel.

19 § 3. This act shall take effect immediately and shall apply to taxable  
20 status dates occurring on or after the first of January next succeeding  
21 the date on which it shall have become a law.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets  
[-] is old law to be omitted.

LBD13921-02-5

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### NEW YORK STATE SENATE INTRODUCER'S MEMORANDUM IN SUPPORT submitted in accordance with Senate Rule VI. Sec 1

BILL NUMBER: S6008

**SPONSOR:** LARKIN

**TITLE OF BILL:**

An act to amend the social services law and the real property tax law, in relation to the assessment of parcels used for residential purposes and registered as family day care homes

**PURPOSE:**

The purpose of this bill is to ensure that residential homes that are used on a limited ancillary basis as a family day care home are assessed based on their value as a residence and not as a business. This bill will help to encourage the establishment of more family day care homes to care for children of parents that work.

**SUMMARY OF PROVISIONS:**

Section 1: Amends the Social Services Law section 390(12) to ensure that residential homes that are used on a limited basis as a family day care home can not be assessed differently than other residential homes that do not have family day care businesses.

Section 2: Adds Real Property Tax Law section 581-b to clarify the law to ensure that residential homes that are used on a limited basis as family day care homes, as defined in Social Services Law section 390, can not be assessed differently than other residential homes that do not have family day care businesses.

**EXISTING LAW:**

It is unclear whether residential homes that contain family day care businesses can be assessed at a higher appraised value in their municipal real property assessments based solely on the presence of such a business. This bill ensures that assessing units can not increase the appraised value and property tax liability of such residential property based solely on the existence of a family day care home at the residence.

**JUSTIFICATION:**

Residential homes that possess small family day care businesses should not be assessed at a higher commercial appraised value simply because they contain these small businesses. The profit margin for these small home-based businesses is often so minimal that any cost increase can mean the difference in continuing to provide these valuable services and closing their operations. Residential homes which do not have physical improvements made to the property for the services that it provides should not be penalized for providing low cost day care services to the community. It is important to encourage the establishment of these businesses so that households that must have two wage earners can have a readily available supply of homes to care for their children.

**LEGISLATIVE HISTORY:**

New Bill.

**FISCAL IMPLICATIONS:**

None.

**LOCAL FISCAL IMPLICATIONS:**

None.

**EFFECTIVE DATE:**

Immediately, and shall apply to taxable status occurring on or after January 1, next succeeding the date on which it shall have become law.

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