STATE OF NEW YORK

3060--C

2019-2020 Regular Sessions

IN SENATE

February 1, 2019

Introduced by Sen. SALAZAR -- read twice and ordered printed, and when printed to be committed to the Committee on Cities -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the administrative code of the city of New York, in relation to a tax on the transfer of certain real property within two years of the prior transfer of such property

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

Section 1. Short title. This act shall be known and may be cited as the "New York city small home anti-speculation act".

§ 2. Section 11-2101 of the administrative code of the city of New York is amended by adding five new subdivisions 19, 20, 21, 22 and 23 to read as follows:

19. "Prior conveyance of the property." The most recent conveyance of the real property, whether conveyed on its own or as part of a larger conveyance.

20. "Family member." A person's child, spouse, domestic partner, parent, sibling, grandchild or grandparent, or the child or parent of a person's spouse or domestic partner.

21. "New housing." A residential unit or units that did not exist at the time of the prior conveyance of the property to the extent that the property had no residential units at the time of the prior conveyance and at least one residential unit was subsequently added.

22. "Qualified persons." Qualified persons, as used in this chapter, shall not include business trusts, estates, trusts, limited liability companies, limited liability partnerships, limited liability investment companies, associations, joint ventures, business or nonprofit entities,

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

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public corporations, government or governmental subdivisions, agencies, instrumentalities, or other legal or commercial entities.

23. "Mortgagee." The holder of a mortgage and/or note secured by residential real property, including, as applicable, the original lender under a mortgage, its successors and assigns, and the holders of credit instruments issued under a trust indenture, mortgage or deed of trust pursuant to which such holders act by and through a trustee named in or on such credit instrument.

§ 3. The administrative code of the city of New York is amended by adding a new section 11-2120 to read as follows:

§ 11-2120 Imposition of flip tax. a. In addition to the tax imposed by section 11-2102 of this chapter, there is hereby imposed on each deed, instrument or transaction at the time of the transfer whereby any properties of one to five separate residential units are transferred by a grantor to a grantee, and such transfer is made within two years from the prior conveyance of the property. The tax, which shall be paid by the grantor, shall be at the rate of:

(1) twenty percent when the time since the prior conveyance of the property is less than one year; and

(2) fifteen percent when the time since the prior conveyance of the property is greater than or equal to one year but less than two years.

b. The tax defined in subdivision a of this section shall expire when the time since the prior conveyance of the property is two years.

c. All revenues resulting from the imposition of the tax under this section shall be paid to the state comptroller and shall be distributed to the division of housing and community renewal to be used to support neighborhood preservation companies in a city with a population of one million or more.

d. (1) The following qualified persons shall be exempt from the payment of the tax imposed by this section:

(i) Property owners conveying property to a family member.

(ii) Property owners who can demonstrate a financial hardship which justifies a conveyance of property in less than or equal to two years.

(2) The following properties shall be exempt from the payment of the tax imposed by this section:

(i) Property which was conveyed within one year of the death of the property owner.

(ii) Property being sold as new housing.

(iii) Property which the consideration or value conveyed, which is otherwise subject to the tax imposed in this section, is less than or equal to the consideration or value of such property conveyed at the time of the prior conveyance of property.

(iv) Property which was conveyed to a mortgagee or an affiliate agent of such mortgagee by a mortgagor by deed in lieu of foreclosure or in satisfaction of the mortgage debt.

(v) Property which was conveyed to a mortgagee or an affiliated agent of such mortgagee pursuant to a foreclosure sale that follows a default in the satisfaction of an obligation that is secured by a mortgage.

(vi) Property which is otherwise exempt from payment of a real property transfer tax, as defined in this chapter.

§ 4. This act shall take effect on the ninetieth day after it shall have become a law and shall apply to conveyances occurring on or after such date.