

STATE OF NEW YORK

3469--A

2019-2020 Regular Sessions

IN SENATE

February 7, 2019

Introduced by Sens. MONTGOMERY, ADDABBO, BENJAMIN, COMRIE, JACKSON, LITTLE, SALAZAR -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government -- recommitted to the Committee on Local Government in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the real property tax law, in relation to tax exemptions for community land trusts and income-restricted homeownership properties

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

Section 1. Section 420-a of the real property tax law is amended by adding a new subdivision 17 to read as follows:

17. (a) For the purposes of this subdivision, "community land trust" shall mean a nonprofit corporation organized pursuant to section 501(c)(3) of the U.S. internal revenue code that satisfies the following criteria:

(i) such nonprofit corporation's primary purpose is the creation and maintenance of permanently affordable single-family or multi-family residences;

(ii) all dwellings and units located on land owned by such nonprofit corporation is sold to a qualified owner to be occupied as the qualified owner's primary residence or rented to persons or families of low income as defined in subdivision ten of section twelve of the private housing finance law; and

(iii) the land owned by the nonprofit corporation, on which a dwelling or unit sold to a qualified owner is situated, is leased by such corporation to the qualified owner for the convenient occupation and use of such dwelling or unit for a renewable term of ninety-nine years.

(b) Any land owned by a community land trust as defined in paragraph (a) of this subdivision and separately assessed improvements owned by

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

LBD06368-06-0

1 the residents thereof, shall be exempt from taxation and exempt from
2 special ad valorem levies and special assessments to the extent provided
3 in section four hundred ninety of this article. The supervising agency
4 of the community land trust shall require an annual certification from
5 the community land trust that the real property land is used exclusively
6 for the benefit of persons or families of low income. The supervising
7 agency may require the community land trust to enter into a regulatory
8 agreement, which shall be co-terminus with any ground lease granted by
9 the community land trust to any qualifying owner of improvements there-
10 on. Notwithstanding the foregoing, any community land trust formed
11 pursuant to section four hundred two of the not-for-profit corporation
12 law and which is located in a city or municipality with a population of
13 less than one million shall also be eligible for benefits under this
14 subdivision.

15 § 2. Section 422 of the real property tax law is amended by adding a
16 new subdivision 3 to read as follows:

17 3. Exemption of income-restricted homeownership property. Income-res-
18 tricted homeownership property, including but not limited to a single or
19 two-family home or multiple dwelling, which is owned by and operated
20 exclusively for the benefit of persons or families of low income as
21 defined in subdivision ten of section twelve of the private housing
22 finance law that is subject to the terms of a regulatory agreement with
23 a supervising agency, which shall be the city of New York acting by and
24 through the department of housing preservation and development for a
25 community land trust located in the city of New York, or the New York
26 state division of housing and community renewal for any community land
27 trust located outside of the city of New York, for a term of at least
28 thirty years, or is located on any community land trust as defined in
29 paragraph (a) of subdivision seventeen of section four hundred twenty-a
30 of this title formed pursuant to section four hundred two of the not-
31 for-profit corporation law and which is located in a city or municipi-
32 ality with a population of less than one million without a regulatory
33 agreement with a supervising agency, which is not otherwise fully exempt
34 from taxation, shall be assessed based upon the resale and rent
35 restrictions set forth in the ground lease when determining the taxable
36 value of such income-restricted homeownership property. The department
37 shall be authorized to promulgate suitable rules and regulations to
38 carry out the provisions of this subdivision. Notwithstanding the
39 provisions of this subdivision, any local assessor that currently
40 employs a method of property assessment and taxation for any income-res-
41 tricted homeownership property as of the effective date of the chapter
42 of the laws of two thousand twenty that added this subdivision that
43 would result in a lesser tax burden for such income-restricted homeowner
44 shall be authorized to continue to employ such method as if fully
45 authorized by this subdivision. Under no circumstances shall any
46 improvements wherein ownership is held in the form of a nominee struc-
47 ture qualify for an exemption under this subdivision.

48 § 3. This act shall take effect immediately and shall apply to all
49 assessment rolls published after the date this act shall have become a
50 law.