

# STATE OF NEW YORK

5585--B

Cal. No. 181

2021-2022 Regular Sessions

## IN ASSEMBLY

February 22, 2021

Introduced by M. of A. SCHMITT -- read once and referred to the Committee on Local Governments -- ordered to a third reading, amended and ordered reprinted, retaining its place on the order of third reading -- again amended on third reading, ordered reprinted, retaining its place on the order of third reading

AN ACT to amend the town law, in relation to authorizing the town of Chester, county of Orange to establish community preservation funds; to amend the tax law, in relation to authorizing the town of Chester to impose a real estate transfer tax with revenues therefrom to be deposited in said community preservation fund; and providing for the repeal of certain provisions upon expiration thereof

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

1 Section 1. The town law is amended by adding a new section 64-1 to  
2 read as follows:

3 § 64-1. Town of Chester preservation funds. 1. As used in this  
4 section, the following words and terms shall have the following mean-  
5 ings:

6 (a) "Town" means the town of Chester.

7 (b) "Community preservation" shall mean and include any of the  
8 purposes outlined in subdivision five of this section.

9 (c) "Board" means the advisory board required pursuant to subdivision  
10 six of this section.

11 (d) "Fund" means the community preservation fund created pursuant to  
12 subdivision two of this section.

13 (e) "Tax" shall mean the real estate transfer tax imposed pursuant to  
14 section fourteen hundred thirty-nine-bbb of the tax law or, if the  
15 context clearly indicates, shall mean the real estate transfer tax  
16 imposed pursuant to article thirty-one of the tax law.

17 2. The town board of the town of Chester is authorized to establish by  
18 local law a community preservation fund pursuant to the provisions of

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

LBD06404-04-2

1 this section. Deposits into the fund may include revenues of the local  
2 government from whatever source and shall include, at a minimum, all  
3 revenues from a tax imposed upon the transfer of real property interests  
4 in such town pursuant to article thirty-one-A-four of the tax law. The  
5 fund shall also be authorized to accept gifts of any such interests in  
6 land or of funds. Interest accrued by monies deposited into the fund  
7 shall be credited to the fund. In no event shall monies deposited in the  
8 fund be transferred to any other account. Nothing contained in this  
9 section shall be construed to prevent the financing in whole or in part,  
10 pursuant to the local finance law, of any acquisition authorized pursu-  
11 ant to this section. Monies from the fund may be utilized to repay any  
12 indebtedness or obligations incurred pursuant to the local finance law  
13 consistent with effectuating the purposes of this section.

14 3. The purposes of the fund shall be exclusively: (a) to implement a  
15 plan for the preservation of community character as required by this  
16 section, (b) to acquire interests or rights in real property for the  
17 preservation of community character within the town including villages  
18 therein in accordance with such plan and in cooperation with willing  
19 sellers, (c) to establish a bank pursuant to a transfer of development  
20 rights program consistent with section two hundred sixty-one-a of this  
21 chapter, and (d) to provide a management and stewardship program for  
22 such interests and rights consistent with subdivision ten of this  
23 section and in accordance with such plan designed to preserve community  
24 character. Not more than ten percent of the fund shall be utilized for  
25 the management and stewardship program.

26 4. If the implementation of the community preservation project plan,  
27 adopted by the town board, as provided in subdivision seven of this  
28 section, has been completed, and funds are no longer needed for the  
29 purposes outlined in this subdivision, then any remaining monies in the  
30 fund shall be applied to reduce any bonded indebtedness or obligations  
31 incurred to effectuate the purposes of this section.

32 5. Preservation of community character shall involve one or more of  
33 the following:

- 34 (a) preservation of open space;
- 35 (b) establishment of parks, nature preserves, or recreation areas;
- 36 (c) preservation of land which is predominantly viable agricultural  
37 land, as defined in subdivision seven of section three hundred one of  
38 the agriculture and markets law, or unique and irreplaceable agricul-  
39 tural land, as defined in subdivision six of section three hundred one  
40 of the agriculture and markets law;
- 41 (d) preservation of lands of exceptional scenic value;
- 42 (e) preservation of freshwater marshes or other wetlands;
- 43 (f) preservation of aquifer recharge areas;
- 44 (g) preservation of undeveloped beach-lands or shoreline;
- 45 (h) establishment of wildlife refuges for the purpose of maintaining  
46 native animal species diversity, including the protection of habitat  
47 essential to the recovery of rare, threatened or endangered species;
- 48 (i) preservation of unique or threatened ecological areas;
- 49 (j) preservation of rivers and river areas in a natural, free-flowing  
50 condition;
- 51 (k) preservation of forested land;
- 52 (l) preservation of public access to lands for public use including  
53 stream rights and waterways;
- 54 (m) preservation of historic places and properties listed on the New  
55 York state register of historic places and/or protected under a munici-  
56 pal historic preservation ordinance or law; and

1 (n) undertaking any of the purposes of this subdivision in furtherance  
2 of the establishment of a greenbelt.

3 6. The town board which has established a community preservation fund  
4 shall create an advisory board to review and make recommendations on  
5 proposed acquisitions of interests in real property using monies from  
6 the fund. Such board shall consist of five or seven legal residents of  
7 the municipality who shall serve without compensation. No member of the  
8 local legislative body shall serve on the board. A majority of the  
9 members of the board shall have demonstrated experience with conserva-  
10 tion or land preservation activities. The board shall act in an advisory  
11 capacity to the town board. At least one member of the board shall be an  
12 active farmer. Board members' terms shall be staggered.

13 7. The town board which has established a community preservation fund  
14 shall, by local law, adopt a community preservation project plan. Such  
15 plan shall list every project which the town plans to undertake pursuant  
16 to the community preservation fund. Such plan shall provide for a  
17 detailed evaluation of all available land use alternatives to protect  
18 community character, including but not limited to: (a) fee simple acqui-  
19 sition, (b) zoning regulations, including density reductions, cluster  
20 development, and site plan and design requirements, (c) transfer of  
21 development rights, (d) the purchase of development rights, and (e)  
22 scenic and conservation easements. Said evaluation shall be as specific  
23 as practicable as to each parcel selected for inclusion in such plan.  
24 Such plan shall establish the priorities for preservation, and shall  
25 include the preservation of farmland as its highest priority. Funds from  
26 the community preservation fund may only be expended for projects which  
27 have been included in such plan. Such plan shall be updated not less  
28 than once every five years, but in no event until at least three years  
29 after the adoption of the original plan. A copy of such plan shall be  
30 filed with the town clerk, the commissioner of environmental conserva-  
31 tion, the commissioner of agriculture and markets and the commissioner  
32 of the office of parks, recreation and historic preservation. Such plan  
33 shall be completed at least sixty days before the submission of the  
34 mandatory referendum required by section fourteen hundred thirty-nine-  
35 bbb of the tax law. If at the time of referendum, the town shall have in  
36 place an adopted open space plan, such plan shall be deemed sufficient  
37 to waive the preservation plan requirements of this subdivision. Any  
38 monies expended from the community preservation plan shall, however be  
39 consistent with the purposes outlined in subdivisions three and five of  
40 this section and with the open space plan for a period not to exceed  
41 twelve months.

42 8. The town board which has established a community preservation fund  
43 pursuant to this section may study and consider establishing a transfer  
44 of development rights program to protect community character as provided  
45 for by section two hundred sixty-one-a of this chapter. All provisions  
46 of such section two hundred sixty-one-a shall be complied with. If at  
47 any time during the life of the community preservation fund a transfer  
48 of development rights program is established, the town may utilize  
49 monies from the community preservation fund in order to create and fund  
50 a central bank of the transfer of development rights program. If at any  
51 time during the life of the community preservation fund, a transfer of  
52 development rights program is repealed by the town, all monies from the  
53 central bank shall be returned to the community preservation fund.

54 9. No interests or rights in real property shall be acquired pursuant  
55 to this section until a public hearing is held as required by section  
56 two hundred forty-seven of the general municipal law; provided, however,

1 that nothing herein shall prevent the town board from entering into a  
2 conditional purchase agreement before a public hearing is held. Any  
3 resolution of the town board approving an acquisition of rights or  
4 interest in real property pursuant to this section, shall find that  
5 acquisition was the best alternative for the protection of community  
6 character of all the reasonable alternatives available to the town.

7 10. Rights or interest in real property acquired pursuant to this  
8 section shall be administered and managed in a manner which (a) allows  
9 public use and enjoyment in a manner compatible with the natural,  
10 scenic, historic and open space character of such lands; (b) preserves  
11 the native biological diversity of such lands; (c) with regard to open  
12 spaces, limits improvements to enhancing access for passive use of such  
13 lands such as nature trails, boardwalks, bicycle paths, and peripheral  
14 parking areas provided that such improvements do not degrade the ecolog-  
15 ical value of the land or threaten essential wildlife habitat; and (d)  
16 preserves cultural property consistent with accepted standards for  
17 historic preservation. Notwithstanding any other provision of this  
18 subdivision there shall be no right to public use and enjoyment of land  
19 used in conjunction with a farm operation as defined by subdivision  
20 eleven of section three hundred one of the agriculture and markets law.  
21 In furthering the purposes of this section, the town may enter into  
22 agreements with corporations organized under the not-for-profit corpo-  
23 ration law and engage in land trust activities to manage lands including  
24 less than fee interests acquired pursuant to the provisions of this  
25 section, provided that any such agreement shall contain a provision that  
26 such corporation shall keep the lands accessible to the public unless  
27 such corporation shall demonstrate to the satisfaction of the town that  
28 public accessibility would be detrimental to the lands or any natural  
29 resources associated therewith.

30 11. Rights or interests in real property acquired with monies from  
31 such fund shall not be sold, leased, exchanged, donated, or otherwise  
32 disposed of or used for other than the purposes permitted by this  
33 section without the express authority of an act of the state legisla-  
34 ture, which shall provide for the substitution of other lands of equal  
35 environmental value and fair market value and reasonably equivalent  
36 usefulness and location to those to be discontinued, sold or disposed  
37 of, and such other requirements as shall be approved by the state legis-  
38 lature. Any conservation easements, created under title three of article  
39 forty-nine of the environmental conservation law, which are acquired  
40 with monies from such fund may only be modified or extinguished as  
41 provided in section 49-0307 of such law. Nothing in this section shall  
42 preclude the town, by local law, from establishing additional  
43 restrictions to the alienation of lands acquired pursuant to this  
44 section. This subdivision shall not apply to the sale of development  
45 rights by the town acquired pursuant to this section, where said sale is  
46 made by a central bank created by the town, pursuant to a transfer of  
47 development rights program established by the town pursuant to section  
48 two hundred sixty-one-a of this chapter, provided, however that (a) the  
49 lands from which said development rights were acquired shall remain  
50 preserved in perpetuity by a permanent conservation easement or other  
51 instrument that similarly preserves the community character referenced  
52 in subdivision five of this section, and (b) the proceeds from such sale  
53 shall be deposited in the community preservation fund.

54 § 2. The tax law is amended by adding a new article 31-A-4 to read as  
55 follows:

ARTICLE 31-A-4TAX ON REAL ESTATE TRANSFERS IN THE TOWN OF CHESTERSection 1439-aaa. Definitions.1439-bbb. Imposition of tax.1439-ccc. Payment of tax.1439-ddd. Liability for tax.1439-eee. Exemptions.1439-fff. Credit.1439-ggg. Cooperative housing corporation transfers.1439-hhh. Designation of agents.1439-iii. Liability of recording officer.1439-jjj. Refunds.1439-kkk. Deposit and disposition of revenue.1439-lll. Judicial review.1439-mmm. Apportionment.1439-nnn. Miscellaneous.1439-ooo. Returns to be secret.1439-ppp. Foreclosure proceedings.

§ 1439-aaa. Definitions. When used in this article, unless otherwise expressly stated, the following words and terms shall have the following meanings:

1. "Person" means an individual, partnership, limited liability company, society, association, joint stock company, corporation, estate, receiver, trustee, assignee, referee or any other person acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, any combination of individuals, and any other form of unincorporated enterprise owned or conducted by two or more persons.

2. "Controlling interest" means (a) in the case of a corporation, either fifty percent or more of the total combined voting power of all classes of stock of such corporation, or fifty percent or more of the capital, profits or beneficial interest in such voting stock of such corporation, and (b) in the case of a partnership, association, trust or other entity, fifty percent or more of the capital, profits or beneficial interest in such partnership, association, trust or other entity.

3. "Real property" means every estate or right, legal or equitable, present or future, vested or contingent, in lands, tenements or hereditaments, including buildings, structures and other improvements thereon, which are located in whole or in part within the town of Chester. It shall not include rights to sepulture.

4. "Consideration" means the price actually paid or required to be paid for the real property or interest therein, including payment for an option or contract to purchase real property, whether or not expressed in the deed and whether paid or required to be paid by money, property, or any other thing of value. It shall include the cancellation or discharge of an indebtedness or obligation. It shall also include the amount of any mortgage, purchase money mortgage, lien or other encumbrance, whether or not the underlying indebtedness is assumed or taken subject to.

(a) In the case of a creation of a leasehold interest or the granting of an option with use and occupancy of real property, consideration shall include, but not be limited to, the value of the rental and other payments attributable to the use and occupancy of the real property or interest therein, the value of any amount paid for an option to purchase or renew and the value of rental or other payments attributable to the exercise of any option to renew.



1 (b) In the case of a creation of a subleasehold interest, consider-  
2 ation shall include, but not be limited to, the value of the sublease  
3 rental payments attributable to the use and occupancy of the real prop-  
4 erty, the value of any amount paid for an option to renew and the value  
5 of rental or other payments attributable to the exercise of any option  
6 to renew less the value of the remaining prime lease rental payments  
7 required to be made.

8 (c) In the case of a controlling interest in any entity that owns real  
9 property, consideration shall mean the fair market value of the real  
10 property or interest therein, apportioned based on the percentage of the  
11 ownership interest transferred or acquired in the entity.

12 (d) In the case of an assignment or surrender of a leasehold interest  
13 or the assignment or surrender of an option or contract to purchase real  
14 property, consideration shall not include the value of the remaining  
15 rental payments required to be made pursuant to the terms of such lease  
16 or the amount to be paid for the real property pursuant to the terms of  
17 the option or contract being assigned or surrendered.

18 (e) In the case of (1) the original conveyance of shares of stock in a  
19 cooperative housing corporation in connection with the grant or transfer  
20 of a proprietary leasehold by the cooperative corporation or cooperative  
21 plan sponsor, and (2) the subsequent conveyance by the owner thereof of  
22 such stock in a cooperative housing corporation in connection with the  
23 grant or transfer of a proprietary leasehold for a cooperative unit  
24 other than an individual residential unit, consideration shall include a  
25 proportionate share of the unpaid principal of any mortgage on the real  
26 property of the cooperative housing corporation comprising the cooper-  
27 ative dwelling or dwellings. Such share shall be determined by multi-  
28 plying the total unpaid principal of the mortgage by a fraction, the  
29 numerator of which shall be the number of shares of stock being conveyed  
30 in the cooperative housing corporation in connection with the grant or  
31 transfer of a proprietary leasehold and the denominator of which shall  
32 be the total number of shares of stock in the cooperative housing corpo-  
33 ration.

34 5. "Conveyance" means the transfer or transfers of any interest in  
35 real property by any method, including but not limited to, sale,  
36 exchange, assignment, surrender, mortgage foreclosure, transfer in lieu  
37 of foreclosure, option, trust indenture, taking by eminent domain,  
38 conveyance upon liquidation or by a receiver, or transfer or acquisition  
39 of a controlling interest in any entity with an interest in real proper-  
40 ty. Transfer of an interest in real property shall include the creation  
41 of a leasehold or sublease only where (a) the sum of the term of the  
42 lease or sublease and any options for renewal exceeds forty-nine years,  
43 (b) substantial capital improvements are or may be made by or for the  
44 benefit of the lessee or sublessee, and (c) the lease or sublease is for  
45 substantially all of the premises constituting the real property.  
46 Notwithstanding the foregoing, conveyance of real property shall not  
47 include a conveyance made pursuant to devise, bequest or inheritance;  
48 the creation, modification, extension, spreading, severance, consol-  
49 idation, assignment, transfer, release or satisfaction of a mortgage; a  
50 mortgage subordination agreement, a mortgage severance agreement, an  
51 instrument given to perfect or correct a recorded mortgage; or a release  
52 of lien of tax pursuant to this chapter or the internal revenue code.

53 6. "Interest in the real property" includes title in fee, a leasehold  
54 interest, a beneficial interest, an encumbrance, development rights, air  
55 space and air rights, or any other interest with the right to use or  
56 occupancy of real property or the right to receive rents, profits or

1 other income derived from real property. It shall also include an option  
2 or contract to purchase real property. It shall not include a right of  
3 first refusal to purchase real property.

4 7. "Grantor" means the person making the conveyance of real property  
5 or interest therein. Where the conveyance consists of a transfer or an  
6 acquisition of a controlling interest in an entity with an interest in  
7 real property, "grantor" means the entity with an interest in real prop-  
8 erty or a shareholder or partner transferring stock or partnership  
9 interest, respectively.

10 8. "Grantee" means the person who obtains real property or interest  
11 therein as a result of a conveyance.

12 9. "Fund" means a community preservation fund created pursuant to  
13 section sixty-four-1 of the town law.

14 10. "Recording officer" means the county clerk of the county of  
15 Orange.

16 11. "Town" means the town of Chester, county of Orange.

17 12. "Treasurer" means the treasurer of the county of Orange.

18 13. "Town supervisor" means the town supervisor of the town of Ches-  
19 ter.

20 14. "Tax" shall mean the real estate transfer tax imposed pursuant to  
21 section fourteen hundred thirty-nine-bbb of this article or, if the  
22 context clearly indicates, shall mean the real estate transfer tax  
23 imposed pursuant to article thirty-one of this chapter.

24 15. "Residential real property" means property which satisfies at  
25 least one of the following conditions:

26 (a) the property classification code assigned to the property on the  
27 latest final assessment roll, as reported on the transfer report form,  
28 indicates that the property is a one, two or three family home or a  
29 rural residence; or

30 (b) the transfer report indicates that the property is a one, two or  
31 three family residential property that has been newly constructed on  
32 vacant land; or

33 (c) the transfer report form indicates that the property is a residen-  
34 tial condominium.

35 § 1439-bbb. Imposition of tax. Notwithstanding any other provisions of  
36 law to the contrary, the town of Chester, acting through its town board,  
37 is hereby authorized and empowered to adopt a local law imposing in such  
38 town a tax on each conveyance of real property or interest therein not  
39 to exceed a maximum of three-quarters of one percent of the consider-  
40 ation for such conveyance, subject to the exemptions set forth in  
41 section fourteen hundred thirty-nine-eee of this article; any such local  
42 law shall fix the rate of such tax. Provided, however, any such local  
43 law imposing, repealing or reimposing such tax shall be subject to a  
44 mandatory referendum pursuant to section twenty-three of the municipal  
45 home rule law. Notwithstanding the foregoing, prior to adoption of such  
46 local law, the town must establish a community preservation fund pursu-  
47 ant to section sixty-four-1 of the town law. Revenues from such tax  
48 shall be deposited in such fund and may be used solely for the purposes  
49 of such fund. Such local law shall apply to any conveyance occurring on  
50 or after the first day of a month to be designated by such town board,  
51 which is not less than sixty days after the enactment of such local law,  
52 but shall not apply to conveyances made on or after such date pursuant  
53 to binding written contracts entered into prior to such date, provided  
54 that the date of execution of such contract is confirmed by independent  
55 evidence such as the recording of the contract, payment of a deposit or  
56 other facts and circumstances as determined by the treasurer.

1     § 1439-ccc. Payment of tax. 1. The real estate transfer tax imposed  
2 pursuant to this article shall be paid to the treasurer or the recording  
3 officer acting as the agent of the treasurer upon designation as such  
4 agent by the treasurer. Such tax shall be paid at the same time as the  
5 real estate transfer tax imposed by article thirty-one of this chapter  
6 is required to be paid. Such treasurer or recording officer shall  
7 endorse upon each deed or instrument effecting a conveyance a receipt  
8 for the amount of the tax so paid.

9     2. A return shall be required to be filed with such treasurer or  
10 recording officer for purposes of the real estate transfer tax imposed  
11 pursuant to this article at the same time as a return is required to be  
12 filed for purposes of the real estate transfer tax imposed by article  
13 thirty-one of this chapter. The treasurer shall prescribe the form of  
14 return, the information which it shall contain, and the documentation  
15 that shall accompany the return. Said form shall be identical to the  
16 real estate transfer tax return required to be filed pursuant to section  
17 fourteen hundred nine of this chapter, except that the treasurer shall  
18 adapt said form to reflect the provisions in this chapter that are  
19 inconsistent, different, or in addition to the provisions of article  
20 thirty-one of this chapter. The real estate transfer tax returns  
21 required to be filed pursuant to this section shall be preserved for  
22 three years and thereafter until such treasurer or recording officer  
23 orders them to be destroyed.

24     3. The recording officer shall not record an instrument effecting a  
25 conveyance unless the return required by this section has been filed and  
26 the tax imposed pursuant to this article shall have been paid as  
27 required in this section.

28     § 1439-ddd. Liability for tax. 1. The real estate transfer tax shall  
29 be paid by the grantee. If the grantee has failed to pay the tax imposed  
30 pursuant to this article or if the grantee is exempt from such tax, the  
31 grantor shall have the duty to pay the tax. Where the grantor has the  
32 duty to pay the tax because the grantee has failed to pay the tax, such  
33 tax shall be the joint and several liability of the grantee and the  
34 grantor.

35     2. For the purpose of the proper administration of this article and to  
36 prevent evasion of the tax hereby imposed, it shall be presumed that all  
37 conveyances are subject to the tax. Where the consideration includes  
38 property other than money, it shall be presumed that the consideration  
39 is the fair market value of the real property or interest therein. These  
40 presumptions shall prevail until the contrary is proven, and the burden  
41 of proving the contrary shall be on the person liable for payment of the  
42 tax.

43     § 1439-eee. Exemptions. 1. The following shall be exempt from the  
44 payment of the real estate transfer tax imposed by this article:

45     (a) The state of New York, or any of its agencies, instrumentalities,  
46 political subdivisions, or public corporations (including a public  
47 corporation created pursuant to an agreement or compact with another  
48 state or the Dominion of Canada); and

49     (b) The United Nations, the United States of America or any of its  
50 agencies or instrumentalities.

51     2. The tax shall not apply to any of the following conveyances:

52     (a) Conveyances to the United Nations, the United States of America,  
53 the state of New York, or any of their instrumentalities, agencies or  
54 political subdivisions (or any public corporation, including a public  
55 corporation created pursuant to agreement or compact with another state  
56 or the Dominion of Canada);



(b) Conveyances which are or were used to secure a debt or other obligation;

(c) Conveyances which, without additional consideration, confirm, correct, modify or supplement a deed previously recorded;

(d) Conveyances of real property without consideration and otherwise than in connection with a sale, including deeds conveying realty as bona fide gifts;

(e) Conveyances given in connection with a tax sale;

(f) Conveyances to effectuate a mere change of identity or form of ownership or organization where there is no change in beneficial ownership, other than conveyances to a cooperative housing corporation of the real property comprising the cooperative dwelling or dwellings;

(g) Conveyances which consist of a deed of partition;

(h) Conveyances given pursuant to the federal bankruptcy act;

(i) Conveyances of real property which consist of the execution of a contract to sell real property without the use or occupancy of such property or the granting of an option to purchase real property without the use or occupancy of such property;

(j) Conveyances of real property or a portion or portions of real property that are the subject of one or more of the following development restrictions:

(1) agricultural, conservation, scenic, or an open space easement,

(2) covenants or restrictions prohibiting development where the property or portion of property being conveyed has had its development rights permanently removed,

(3) a purchase of development rights agreement where the property or portion of property being conveyed has had its development rights permanently removed,

(4) a transfer of development rights agreement, where the property being conveyed has had its development rights removed,

(5) real property subject to any locally adopted land preservation agreement, provided said exemption is included in the local law imposing the tax authorized by this article;

(k) Conveyances of real property, where the property is viable agricultural land as defined in subdivision seven of section three hundred one of the agriculture and markets law and the entire property to be conveyed is to be made subject to one of the development restrictions provided for in subparagraph two of paragraph (j) of this subdivision provided that said development restriction precludes the conversion of the property to a non-agricultural use for at least eight years from the date of transfer, and said development restriction is evidenced by an easement, agreement, or other suitable instrument which is to be conveyed to the town simultaneously with the conveyance of the real property; or

(l) Conveyances of real property for open space, parks, or historic preservation purposes to any not-for-profit tax exempt corporation operated for conservation, environmental, or historic preservation purposes.

3. An exemption of one hundred thousand dollars shall be allowed on the consideration of the conveyance of improved real property or an interest therein, and an exemption of fifty thousand dollars shall be allowed on the consideration of the conveyance of unimproved real property.

§ 1439-fff. Credit. A grantee shall be allowed a credit against the tax due on a conveyance of real property to the extent tax was paid by such grantee on a prior creation of a leasehold of all or a portion of the same real property or on the granting of an option or contract to

1 purchase all or a portion of the same real property by such grantee.  
2 Such credit shall be computed by multiplying the tax paid on the  
3 creation of the leasehold or on the granting of the option or contract  
4 by a fraction, the numerator of which is the value of the consideration  
5 used to compute such tax paid which is not yet due to such grantor on  
6 the date of the subsequent conveyance (and which such grantor will not  
7 be entitled to receive after such date), and the denominator of which is  
8 the total value of the consideration used to compute such tax paid.

9 § 1439-ggg. Cooperative housing corporation transfers. 1. Notwith-  
10 standing the definition of "controlling interest" contained in subdivi-  
11 sion two of section fourteen hundred thirty-nine-aaa of this article or  
12 anything to the contrary contained in subdivision five of section four-  
13 teen hundred thirty-nine-aaa of this article, the tax imposed pursuant  
14 to this article shall apply to (a) the original conveyance of shares of  
15 stock in a cooperative housing corporation in connection with the grant  
16 or transfer of a proprietary leasehold by the cooperative corporation or  
17 cooperative plan sponsor, and (b) the subsequent conveyance of such  
18 stock in a cooperative housing corporation in connection with the grant  
19 or transfer of a proprietary leasehold by the owner thereof. With  
20 respect to any such subsequent conveyance where the property is an indi-  
21 vidual residential unit, the consideration for the interest conveyed  
22 shall exclude the value of any liens on certificates of stock or other  
23 evidences of an ownership interest in and a proprietary lease from a  
24 corporation or partnership formed for the purpose of cooperative owner-  
25 ship of residential interest in real estate remaining thereon at the  
26 time of conveyance. In determining the tax on a conveyance described in  
27 paragraph (a) of this subdivision, a credit shall be allowed for a  
28 proportionate part of the amount of any tax paid upon the conveyance to  
29 the cooperative housing corporation of the real property comprising the  
30 cooperative dwelling or dwellings to the extent that such conveyance  
31 effectuated a mere change of identity or form of ownership of such prop-  
32 erty and not a change in the beneficial ownership of such property. The  
33 amount of the credit shall be determined by multiplying the amount of  
34 tax paid upon the conveyance to the cooperative housing corporation by a  
35 percentage representing the extent to which such conveyance effectuated  
36 a mere change of identity or form of ownership and not a change in the  
37 beneficial ownership of such property, and then multiplying the result-  
38 ing product by a fraction, the numerator of which shall be the number of  
39 shares of stock conveyed in a transaction described in paragraph (a) of  
40 this subdivision, and the denominator of which shall be the total number  
41 of shares of stock of the cooperative housing corporation (including any  
42 stock held by the corporation). In no event, however, shall such credit  
43 reduce the tax, on a conveyance described in paragraph (a) of this  
44 subdivision, below zero, nor shall any such credit be allowed for a tax  
45 paid more than twenty-four months prior to the date on which occurs the  
46 first in a series of conveyances of shares of stock in an offering of  
47 cooperative housing corporation shares described in paragraph (a) of  
48 this subdivision.

49 2. Every cooperative housing corporation shall be required to file an  
50 information return with the treasurer by July fifteenth of each year  
51 covering the preceding period of January first through June thirtieth  
52 and by January fifteenth of each year covering the preceding period of  
53 July first through December thirty-first. The return shall contain such  
54 information regarding the conveyance of shares of stock in the cooper-  
55 ative housing corporation as the treasurer may deem necessary, includ-  
56 ing, but not limited to, the names, addresses and employee identifica-

tion numbers or social security numbers of the grantor and the grantee, the number of shares conveyed, the date of the conveyance and the consideration paid for such conveyance.

§ 1439-hhh. Designation of agents. The treasurer is authorized to designate the recording officer to act as his or her agent for purposes of collecting the tax authorized by this article. The treasurer shall provide for the manner in which such person may be designated as his or her agent subject to such terms and conditions as the treasurer shall prescribe. The real estate transfer tax shall be paid to such agent as provided in section fourteen hundred thirty-nine-ccc of this article.

§ 1439-iii. Liability of recording officer. A recording officer shall not be liable for any inaccuracy in the amount of tax imposed pursuant to this article that he or she shall collect so long as he or she shall compute and collect such tax on the amount of consideration or the value of the interest conveyed as such amounts are provided to him or her by the person paying the tax.

§ 1439-jjj. Refunds. Whenever the treasurer shall determine that any moneys received under the provisions of the local law enacted pursuant to this article were paid in error, he or she may cause such moneys to be refunded pursuant to such requirements as he or she may prescribe, provided that any application for such refund is filed with the treasurer within two years from the date the erroneous payment was made.

§ 1439-kkk. Deposit and disposition of revenue. 1. All taxes, penalties and interest imposed by the town under the authority of section fourteen hundred thirty-nine-bbb of this article, which are collected by the treasurer or his or her agents, shall be deposited in a single trust fund for the town and shall be kept in trust and separate and apart from all other monies in possession of the treasurer. Moneys in such fund shall be deposited and secured in the manner provided by section ten of the general municipal law. Pending expenditure from such fund, moneys therein may be invested in the manner provided in section eleven of the general municipal law. Any interest earned or capital gain realized on the moneys so deposited or invested shall accrue to and become part of such fund.

2. The treasurer shall retain such amount as he or she may determine to be necessary for refunds with respect to the tax imposed by the town, under the authority of section fourteen hundred thirty-nine-bbb of this article, out of which the treasurer shall pay any refunds of such taxes to those taxpayers entitled to a refund pursuant to the provisions of this article.

3. The treasurer, after reserving such refunds, shall on or before the twelfth day of each month pay to the town supervisor the taxes, penalties and interest imposed by the town under the authority of section fourteen hundred thirty-nine-bbb of this article, collected by the treasurer, pursuant to this article during the next preceding calendar month. The amount so payable shall be certified to the town supervisor by the treasurer, who shall not be held liable for any inaccuracy in such certification. Provided, however, any such certification may be based on such information as may be available to the treasurer at the time such certification must be made under this section. Where the amount so paid over to the town in any such distribution is more or less than the amount due to the town, the amount of the overpayment or underpayment shall be certified to the town supervisor by the treasurer, who shall not be held liable for any inaccuracy in such certification. The amount of the overpayment or underpayment shall be so certified to the town supervisor as soon after the discovery of the overpayment or under-

1 payment as reasonably possible and subsequent payments and distributions  
2 by the treasurer to the town shall be adjusted by subtracting the amount  
3 of any such overpayment from or by adding the amount of any such under-  
4 payment to such number of subsequent payments and distributions as the  
5 treasurer and town supervisor shall consider reasonable in view of the  
6 overpayment or underpayment and all other facts and circumstances.

7 4. All monies received from the treasurer shall be deposited in the  
8 fund of the town, pursuant to section sixty-four-1 of the town law.

9 § 1439-lll. Judicial review. 1. Any final determination of the amount  
10 of any tax payable under section fourteen hundred thirty-nine-ccc of  
11 this article shall be reviewable for error, illegality or unconstitu-  
12 tionality or any other reason whatsoever by a proceeding under article  
13 seventy-eight of the civil practice law and rules if application there-  
14 for is made to the supreme court within four months after the giving of  
15 the notice of such final determination, provided, however, that any such  
16 proceeding under article seventy-eight of the civil practice law and  
17 rules shall not be instituted unless (a) the amount of any tax sought to  
18 be reviewed, with such interest and penalties thereon as may be provided  
19 for by local law shall be first deposited and there is filed an under-  
20 taking, issued by a surety company authorized to transact business in  
21 this state and approved by the state superintendent of financial  
22 services as to solvency and responsibility, in such amount as a justice  
23 of the supreme court shall approve to the effect that if such proceeding  
24 be dismissed or the tax confirmed the petitioner will pay all costs and  
25 charges which may accrue in the prosecution of such proceeding or (b) at  
26 the option of the petitioner, such undertaking may be in a sum suffi-  
27 cient to cover the taxes, interest and penalties stated in such determi-  
28 nation, plus the costs and charges which may accrue against it in the  
29 prosecution of the proceeding, in which event the petitioner shall not  
30 be required to pay such taxes, interest or penalties as a condition  
31 precedent to the application.

32 2. Where any tax imposed hereunder shall have been erroneously, ille-  
33 gally or unconstitutionally assessed or collected and application for  
34 the refund or revision thereof duly made to the proper fiscal officer or  
35 officers, and such officer or officers shall have made a determination  
36 denying such refund or revision, such determination shall be reviewable  
37 by a proceeding under article seventy-eight of the civil practice law  
38 and rules; provided, however, that (a) such proceeding is instituted  
39 within four months after the giving of the notice of such denial, (b) a  
40 final determination of tax due was not previously made, and (c) an  
41 undertaking is filed with the proper fiscal officer or officers in such  
42 amount and with such sureties as a justice of the supreme court shall  
43 approve to the effect that if such proceeding be dismissed or the tax  
44 confirmed, the petitioner will pay all costs and charges which may  
45 accrue in the prosecution of such proceeding.

46 § 1439-mmm. Apportionment. A local law adopted by the town of Chester,  
47 pursuant to this article, shall provide for a method of apportionment  
48 for determining the amount of tax due whenever the real property or  
49 interest therein is situated within and without the town.

50 § 1439-nnn. Miscellaneous. A local law adopted by the town of Chester,  
51 pursuant to this article, may contain such other provisions as the town  
52 deems necessary for the proper administration of the tax imposed pursu-  
53 ant to this article, including provisions concerning the determination  
54 of tax, the imposition of interest on underpayments and overpayments and  
55 the imposition of civil penalties. Such provisions shall be identical to  
56 the corresponding provisions of the real estate transfer tax imposed by

1 article thirty-one of this chapter, so far as such provisions can be  
2 made applicable to the tax imposed pursuant to this article.

3 § 1439-ooo. Returns to be secret. 1. Except in accordance with proper  
4 judicial order or as otherwise provided by law, it shall be unlawful for  
5 the treasurer or any officer or employee of the county or town, includ-  
6 ing any person engaged or retained on an independent contract basis, to  
7 divulge or make known in any manner the particulars set forth or  
8 disclosed in any return required under a local law enacted pursuant to  
9 this article. However, that nothing in this section shall prohibit the  
10 recording officer from making a notation on an instrument effecting a  
11 conveyance indicating the amount of tax paid. No recorded instrument  
12 effecting a conveyance shall be considered a return for purposes of this  
13 section.

14 2. The officers charged with the custody of such returns shall not be  
15 required to produce any of them or evidence of anything contained in  
16 them in any action or proceeding in any court, except on behalf of the  
17 county or town in any action or proceeding involving the collection of a  
18 tax due under a local law enacted pursuant to this article to which such  
19 county or town is a party, or a claimant, or on behalf of any party to  
20 any action or proceeding under the provisions of a local law enacted  
21 pursuant to this article when the returns or facts shown thereby are  
22 directly involved in such action or proceeding, in any of which events  
23 the court may require the production of, and may admit in evidence, so  
24 much of said returns or of the facts shown thereby, as are pertinent to  
25 the action or proceeding and no more.

26 3. Nothing herein shall be construed to prohibit the delivery to a  
27 grantor or grantee of an instrument effecting a conveyance or the duly  
28 authorized representative of a grantor or grantee of a certified copy of  
29 any return filed in connection with such instrument or to prohibit the  
30 publication of statistics so classified as to prevent the identification  
31 of particular returns and the items thereof, or the inspection by the  
32 legal representatives of such county or town of the return of any  
33 taxpayer who shall bring action to set aside or review the tax based  
34 thereon.

35 4. Any officer or employee of such county or town who willfully  
36 violates the provisions of this section shall be dismissed from office  
37 and be incapable of holding any public office in this state for a period  
38 of five years thereafter.

39 § 1439-ppp. Foreclosure proceedings. Where the conveyance consists of  
40 a transfer of property made as a result of an order of the court in a  
41 foreclosure proceeding ordering the sale of such property, the referee  
42 or sheriff effectuating such transfer shall not be liable for any inter-  
43 est or penalties that are authorized pursuant to this article or article  
44 thirty-seven of this chapter.

45 § 3. Severability. If any provision of this act or the application  
46 thereof shall for any reason be adjudged by any court of competent  
47 jurisdiction to be invalid, such judgment shall not affect, impair, or  
48 invalidate the remainder of this act, but shall be confined in its oper-  
49 ation to the provision thereof directly involved in the controversy in  
50 which such judgment shall have been rendered.

51 § 4. This act shall take effect immediately; provided, however, that  
52 section two of this act shall take effect on the ninetieth day after it  
53 shall have become a law and shall expire December 31, 2042 when upon  
54 such date the provisions of such section shall be deemed repealed.