STATE OF NEW YORK

6326

2021-2022 Regular Sessions

IN SENATE

April 21, 2021

Introduced by Sen. BROUK -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government

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 the residents thereof, shall be exempt from taxation and exempt from special ad valorem levies and special assessments to the extent provided in section four hundred ninety of this article. The supervising agency may require the community land trust to enter into a regulatory agree-

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

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ment, which shall be co-terminus with any ground lease granted by the community land trust to any qualifying owner of improvements thereon. Notwithstanding the foregoing, any community land trust formed pursuant to section four hundred two of the not-for-profit corporation law and which is located in a city or municipality with a population of less than one million shall also be eligible for benefits under this subdivision.

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

3. Exemption of income-restricted homeownership property. Income-restricted homeownership property, including but not limited to a single or two-family home or multiple dwelling, which is owned by and operated exclusively for the benefit of persons or families of low income as defined in subdivision ten of section twelve of the private housing finance law that is subject to the terms of a regulatory agreement with a supervising agency, which shall be the city of New York acting by and through the department of housing preservation and development for a community land trust located in the city of New York, or the New York state division of housing and community renewal for any community land trust located outside of the city of New York, for a term of at least thirty years, or is located on any community land trust as defined in paragraph (a) of subdivision seventeen of section four hundred twenty-a of this title formed pursuant to section four hundred two of the not-for-profit corporation law and which is located in a city or municipality with a population of less than one million without a regulatory agreement with a supervising agency, which is not otherwise fully exempt from taxation, shall be assessed based upon the resale and rent restrictions set forth in the ground lease when determining the taxable value of such income-restricted homeownership property. The department shall be authorized to promulgate suitable rules and regulations to carry out the provisions of this subdivision. Notwithstanding the provisions of this subdivision, any local assessor that currently employs a method of property assessment and taxation for any income-restricted homeownership property as of the effective date of the chapter of the laws of two thousand twenty-one that added this subdivision that would result in a lesser tax burden for such income-restricted homeowner shall be authorized to continue to employ such method as if fully authorized by this subdivision. Only a person or entity that owns the improvements both legally and beneficially shall qualify for an exemption under this subdivision.

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