STATE OF NEW YORK

6176

2023-2024 Regular Sessions

IN ASSEMBLY

April 3, 2023

Introduced by M. of A. BARRETT -- read once and referred to the Committee on Real Property Taxation

AN ACT to amend the real property tax law, in relation to the assessment of residential real property transferred from a charitable nonprofit housing organization to low-income persons

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

Section 1. The real property tax law is amended by adding a new section 581-c to read as follows:

§ 581-c. Assessment of residential real property transferred from a charitable nonprofit housing organization to a low-income person. 1. As used in this section:

(a) "Charitable nonprofit housing organization" means a charitable nonprofit organization whose primary purpose is the construction or renovation of residential housing for conveyance to a low-income person.

(b) "Eligible nonprofit housing property" or "property" means property owned by a charitable nonprofit housing organization, the ownership of which the charitable nonprofit housing organization intends to transfer to a low-income person after construction or renovation of the property is completed.

(c) "Low-income person" means a person with a household income of not more than eighty percent of the area median income (AMI) as annually defined by the United States department of housing and urban development, who is eligible to participate in the charitable nonprofit housing organization's program based on criteria established by the charitable nonprofit housing organization.

(d) "Initial taxable value" and "initial assessed value" means, for a transfer of eligible nonprofit housing property from a charitable nonprofit housing organization to a low-income person that occurs on or after January first, two thousand twenty-four, the initial taxable value and initial assessed value of the property shall be the subsidized

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

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purchase price as defined by the first mortgage amount filed with the county clerk, plus the cash down payment paid by the purchaser, as documented by closing statement or sworn affidavit filed with the county clerk or local assessor's office by the seller's attorney, and shall become fair market value for that property on the assessment rolls.

(e) "Subsequent taxable value" and "subsequent assessed value" means, in years subsequent to the calendar year of the transfer, the property's assessed value shall remain based on the initial taxable value and initial assessed value plus the actual costs of capital improvements made, if any, until the property is transferred from the initial purchaser. Receipts for the costs of capital improvement made, if any, shall be substantiated by receipts of same. In the absence of such receipts, an assessed value of the property shall be used.

2. For a transfer of each eligible nonprofit housing property from a charitable nonprofit housing organization to a low-income person that occurs on or after January first, two thousand twenty-four, the initial taxable value and initial assessed value, as defined in subdivision one of this section, shall be the presumptive true cash value of the property. In the year immediately succeeding the year in which the transfer of the property occurs and each year thereafter, the presumptive cash value of the property shall be the subsequent taxable value and subsequent assessed value, as defined in subdivision one of this section. Any reassessment of the property shall be consistent with the initial taxable value and initial assessed value or the subsequent taxable value and the subsequent assessed value, as defined in subdivision one of this section.

§ 2. This act shall take effect immediately.