

STATE OF NEW YORK

355--B

2025-2026 Regular Sessions

IN ASSEMBLY

(Prefiled)

January 8, 2025

Introduced by M. of A. BARRETT, GLICK, HYNDMAN, WOERNER, JONES, EACHUS, LUCAS, COLTON, SIMON, DAVILA, LUPARDO, BEEPHAN, SIMPSON -- read once and referred to the Committee on Real Property Taxation -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- again reported from said committee with amendments, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the real property tax law, in relation to a tax exemption for residential real property transferred to a low-income household or community land trust

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

1 Section 1. The real property tax law is amended by adding a new
2 section 457-a to read as follows:

3 § 457-a. Exemption for eligible residential property transferred to a
4 low-income household. 1. As used in this section:

5 (a) "Nonprofit housing organization" means a nonprofit organization
6 exempt from certain taxes pursuant to section 501(c)(3) or section
7 501(c)(4) of the United States internal revenue code and/or that is
8 incorporated under the not-for-profit corporation law whose primary
9 purpose is the construction or renovation of residential affordable
10 housing for conveyance to households that meet certain income require-
11 ments.

12 (b) "Community land trust" means a nonprofit organization exempt from
13 certain taxes pursuant to section 501(c)(3) or section 501(c)(4) of the
14 United State internal revenue code and/or that is incorporated under the
15 not-for-profit corporation law whose primary purpose is to provide
16 affordable housing by owning land and leasing or selling residential
17 housing situated on that land to households that meet certain income
18 requirements.

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

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1 (c) "Land bank" means an entity created in accordance with article
2 sixteen of the not-for-profit corporation law.

3 (d) "Qualified low-income household" means a household with an income
4 upon initial occupancy of the residential property of not more than a
5 weighted average of eighty percent of the area median income, adjusted
6 for family size, as annually defined by the United States department of
7 housing and urban development, and which has agreed to occupy such resi-
8 dential property as a primary residence; provided further, that any
9 local law or resolution authorizing an exemption pursuant to this
10 section may specify a maximum area median income weighted average of
11 less than eighty percent for eligibility as a qualified low-income
12 household. The nonprofit housing organization, community land trust,
13 land bank, or appropriate governmental entity shall certify that a
14 household meets the income and residency criteria to be considered a
15 qualified low-income household and shall determine the income and assets
16 that shall be used to determine a household's income for eligibility
17 purposes.

18 2. (a) Residential real property subject to a restrictive covenant or
19 declaration, legal requirement, regulatory agreement or other contractu-
20 al obligation with a governmental entity, nonprofit housing organiza-
21 tion, or land bank, and transferred to a qualified low-income household,
22 or where the land is transferred to a community land trust and the resi-
23 dential building situated on the land is or will be leased to a quali-
24 fied low-income household at a rate affordable to such qualified low-in-
25 come household or sold to a qualified low-income household, shall be
26 exempt as provided in paragraph (b) of this subdivision from taxation
27 levied by or on behalf of any county, city, town, village or school
28 district in which such residential property is located, provided the
29 legislative body or governing board of such county, city, town or
30 village, after public hearing, adopts a local law, or a school district,
31 other than a school district to which article fifty-two of the education
32 law applies, adopts a resolution providing therefor.

33 (b) The real property tax exemption shall be an amount that is not
34 less than twenty-five percent nor more than seventy-five percent of the
35 assessed value of the property as provided in legislation or resolution
36 pursuant to paragraph (a) of this subdivision.

37 (c) A copy of any such local law or resolution shall be filed with the
38 assessor of such county, city, town, or village who prepares the assess-
39 ment roll on which the taxes of such county, city, town, village, or
40 school district are levied.

41 3. (a) The exemption granted pursuant to this section shall be discon-
42 tinued in any of the following circumstances:

43 (i) in the event that a property granted an exemption pursuant to this
44 section ceases to be used primarily for residential purposes;

45 (ii) in the event that a property granted an exemption pursuant to
46 this section ceases to be used as a primary residence;

47 (iii) in the event that a property granted an exemption pursuant to
48 this section is transferred, sold, or leased to another person or enti-
49 ty, other than to a qualified low-income household at the time of such
50 transfer, sale or lease; or

51 (iv) in the event that a property granted an exemption pursuant to
52 this section is leased at a rate that is not affordable to a qualified
53 low-income household.

54 (b) Upon determining that an exemption granted pursuant to this
55 section should be discontinued, the assessor shall mail a notice so
56 stating to the owner or owners thereof at the time and in the manner

1 provided by section five hundred ten of this chapter. Such owner or
2 owners shall be entitled to seek administrative and judicial review of
3 such action in the manner provided by law, provided that the burden
4 shall be on such owner or owners to establish eligibility for the
5 exemption.

6 4. Such exemption shall be granted only upon application by the owner
7 or owners of such real property on a form prescribed by the commission-
8 er. The application shall be filed with the assessor of the county,
9 city, town, or village having the power to assess property for taxation
10 on or before the appropriate taxable status date of such county, city,
11 town, or village.

12 5. If satisfied that the applicant is entitled to an exemption pursu-
13 ant to this section, the assessor shall approve the application, and
14 such residential property shall thereafter be exempt from taxation and
15 special ad valorem levies as provided in this section commencing with
16 the assessment roll prepared on the basis of the taxable status date
17 referred to in subdivision four of this section. The assessed value of
18 any exemption granted pursuant to this section shall be entered by the
19 assessor on the assessment roll with the taxable property, with the
20 amount of the exemption shown in a separate column.

21 § 2. This act shall take effect on the sixtieth day after it shall
22 have become a law.