STATE OF NEW YORK

7002

2025-2026 Regular Sessions

IN ASSEMBLY

March 18, 2025

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

AN ACT to amend the real property tax law, in relation to prohibiting or limiting certain tax exemptions for real property in instances where a pattern or practice of discrimination against occupants has been found

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 498 to read as follows:

§ 498. Discrimination in housing. 1. For the purposes of this section the following terms shall have the following meanings:

(a) "Lawful source of income" shall have the same meaning as defined by section two hundred ninety-two of the executive law.

(b) "Final determination" shall mean a decision that has not been appealed or a decision that has been upheld on appeal by the division of human rights, the attorney general, or a court of competent jurisdiction.

2. Subject to a finding of a pattern or practice of discrimination under subdivision three of this section, an exemption from taxation for real property otherwise authorized under this article approved by any state or local agency for a housing company, insurance company, redevelopment company, or redevelopment corporation shall be subject to the provisions of subdivision four of this section, where the division of human rights, the attorney general, or a court of competent jurisdiction has found that such entity, directly or indirectly, refused, withheld from, or denied to any person any of a dwelling or business accommodations in such property, or the privileges and services incident to occupancy thereof, on account of race, color, creed, or lawful source of income of such person.

3. The provisions of subdivision two of this section shall apply only when a pattern or practice of discrimination has been established based

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

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on multiple final determinations. A pattern or practice shall be deemed established where:

(a) for landlords or entities owning or managing fewer than fifty residential units statewide, at least two final determinations of unlawful discrimination based on lawful source of income have been made within a five-year period;

(b) for landlords or entities owning or managing between fifty and five hundred, inclusive, residential units statewide, at least three final determinations of unlawful discrimination have been made within a five-year period; or

(c) for landlords or entities owning or managing more than five hundred residential units statewide, at least five final determinations of unlawful discrimination have been made within a five-year period.

4. A landlord or entity that has violated subdivision two of this section, and found to have established a pattern or practice of discrimination under subdivision three of this section, shall be subject to the following penalties:

(a) For a first violation beyond the threshold under subdivision three of this section, the landlord shall be required to submit a corrective action plan, which shall be approved by the division of human rights. Such plan shall include measures such as staff training, revised policies, and independent monitoring. Failure to submit such approved plan within sixty days shall result in a twenty-five percent reduction in tax exemption benefits until compliance is demonstrated.

(b) For a second violation beyond threshold under subdivision three of this section, any tax exemption otherwise authorized under this chapter for the subject property shall be reduced by fifty percent for a period of two years, and the landlord shall be subject to mandatory compliance audits by the division of human rights.

(c) For a third violation beyond threshold under subdivision three of this section, any tax exemption otherwise authorized under this chapter for the subject property shall be fully revoked, and the landlord shall be ineligible for any new tax exemptions for a period of five years unless such landlord demonstrates substantial corrective actions, as determined by the division of human rights.

5. (a) If a landlord loses their tax exemption under paragraph (c) of subdivision four of this section, such landlord may apply for reinstatement after a period of three years if such landlord can demonstrate:

(i) no further findings of discrimination since the exemption revocation;

(ii) implementation of corrective measures, including training programs, anti-discrimination policies, and independent compliance monitoring; and

(iii) certification from the division of human rights that such landlord is in good standing under this section.

(b) The application for reinstatement shall be reviewed and decided within one hundred twenty days by the appropriate state agency.

§ 2. This act shall take effect immediately.