

1223

2009-2010 Regular Sessions

I N S E N A T E

January 28, 2009

Introduced by Sens. THOMPSON, KRUEGER, PARKER, SMITH -- read twice and ordered printed, and when printed to be committed to the Committee on Judiciary

AN ACT to amend the real property law, in relation to establishing the urban homestead act for commercial property

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. This act shall be known and may be cited as the "urban
2 homestead act."

3 S 2. The real property law is amended by adding a new article 15 to
4 read as follows:

5 ARTICLE 15

6 URBAN HOMESTEAD

7 SECTION 470. URBAN HOMESTEAD; COMMERCIAL PROPERTY.

8 S 470. URBAN HOMESTEAD; COMMERCIAL PROPERTY. 1. COMMERCIAL PROPERTY
9 ACQUIRED THROUGH FORECLOSURE BY A MUNICIPALITY IN AN ECONOMICALLY
10 DISTRESSED AREA MAY BE SOLD TO AN ELIGIBLE APPLICANT FOR THE FURNISHING
11 BY SUCH APPLICANT OF A SMALL BUSINESS TO BENEFIT THE LOCAL COMMUNITY.

12 2. SUCH PROPERTY MAY BE ACQUIRED BY AN ELIGIBLE APPLICANT FOR ONE
13 DOLLAR PLUS CLOSING COSTS, PAID TO THE MUNICIPALITY.

14 3. COMMERCIAL PROPERTY ACQUIRED THROUGH FORECLOSURE BY A MUNICIPALITY
15 MUST BE IN THE POSSESSION OF THE MUNICIPALITY FOR THREE YEARS IN ORDER
16 TO QUALIFY FOR A COMMERCIAL HOMESTEAD PURCHASE.

17 4. IF THE ELIGIBLE APPLICANT HAS NOT ESTABLISHED THE SMALL BUSINESS
18 WITHIN SIX MONTHS AFTER ACQUISITION, THE PROPERTY SHALL REVERT BACK TO
19 THE MUNICIPALITY.

20 5. THE ELIGIBLE APPLICANT MUST OPERATE THE BUSINESS FOR ONE YEAR, OR
21 THE PROPERTY SHALL REVERT BACK TO THE MUNICIPALITY.

22 6. AN ELIGIBLE APPLICANT MAY TRANSFER, RENT OR SELL THE PROPERTY FREE
23 OF ENCUMBRANCES OF THE MUNICIPALITY FOLLOWING ONE YEAR OF OPERATION OF A
24 SMALL BUSINESS.

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

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1 7. FOR PURPOSES OF THIS SECTION, THE FOLLOWING TERMS SHALL HAVE THE
2 FOLLOWING MEANINGS:

3 (A) "ELIGIBLE APPLICANT" SHALL MEAN AN INDIVIDUAL OR GROUP OF PERSONS
4 WITH A BUSINESS PLAN HAVING THE FOLLOWING CRITERIA:

5 (I) COMPLETION OF BUSINESS OR ENTREPRENEURIAL TRAINING;

6 (II) CREDIT HISTORY REPORT;

7 (III) A FINANCIAL PLAN;

8 (IV) A PROPERTY REHABILITATION PLAN;

9 (V) DOCUMENTED BUSINESS EXPERIENCE;

10 (VI) REQUIRED LICENSING OR CERTIFICATION TO OPERATE THE BUSINESS;

11 (VII) AN ACCOUNTANT;

12 (VIII) TAX FILES;

13 (IX) BANK AND ACCOUNT INFORMATION/DOCUMENTATION;

14 (X) PROOF OF INSURANCE; AND

15 (XI) LEGAL REPRESENTATION.

16 (B) "ECONOMICALLY DISTRESSED AREAS" SHALL MEAN AREAS DETERMINED BY THE
17 COMMISSIONER OF ECONOMIC DEVELOPMENT ON THE BASIS OF CRITERIA INDICATIVE
18 OF ECONOMIC DISTRESS, INCLUDING POVERTY RATES, NUMBERS OF PERSONS
19 RECEIVING PUBLIC ASSISTANCE, UNEMPLOYMENT RATES, RATE OF EMPLOYMENT
20 DECLINE, POPULATION LOSS, RATE OF PER CAPITA INCOME CHANGE, DECLINE IN
21 ECONOMIC ACTIVITY AND PRIVATE INVESTMENT, AND SUCH OTHER INDICATORS AS
22 THE COMMISSIONER DEEMS APPROPRIATE. ECONOMICALLY DISTRESSED AREAS MAY
23 INCLUDE CITIES, MUNICIPALITIES, BLOCK NUMBERING AREAS, AND CENSUS
24 TRACTS.

25 S 3. This act shall take effect on the ninetieth day after it shall
26 have become a law.