

6838

I N   S E N A T E

February 12, 2010

---

Introduced by Sen. BONACIC -- 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 the exemption from taxation for non-profit organizations and to repeal certain provisions of such law relating thereto

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

1     Section 1.     Subdivision 3 of section 420-a of the real property tax  
2 law is REPEALED and a new subdivision 3 is added to read as follows:  
3     3. (A) SUCH REAL PROPERTY WHICH IS NOT ACTUALLY AND EXCLUSIVELY USED  
4 FOR EXEMPT PURPOSES SHALL, IF OWNED BY AN ORGANIZATION EXEMPTED FROM  
5 TAXATION PURSUANT TO THE INTERNAL REVENUE CODE, BE EXEMPT THOUGH NOT IN  
6 ACTUAL USE THEREFOR BY REASON OF THE ABSENCE OF SUITABLE BUILDINGS OR  
7 IMPROVEMENTS THEREON IF THE CONSTRUCTION OF SUCH BUILDINGS OR IMPROVE-  
8 MENTS IS IN PROGRESS OR IS IN GOOD FAITH CONTEMPLATED BY SUCH ORGANIZA-  
9 TION. AS USED IN THIS SUBDIVISION, "IN GOOD FAITH CONTEMPLATED" MEANS  
10 DEFINITE PLANS FOR UTILIZING AND ADAPTING THE PROPERTY FOR EXEMPT  
11 PURPOSES WITHIN FIVE YEARS AND THE FULL EXECUTION OF SUCH PLANS WITHIN  
12 SEVEN YEARS. THE PLANS MUST BE PROVEN BY CLEAR AND CONVINCING EVIDENCE  
13 AND MUST BE IN WRITTEN FORM. THE OFFICE OF REAL PROPERTY SERVICES SHALL  
14 DEVELOP GUIDELINES TO BE UTILIZED BY PROPERTY OWNERS AND ASSESSORS TO  
15 DETERMINE WHETHER SUCH EVIDENCE EXISTS IN ADEQUATE FORM.  
16     (B) IF NO PART OF THE PHYSICAL IMPROVEMENTS TO THE LAND ARE COMMENCED  
17 WITHIN FIVE YEARS AND COMPLETED WITHIN SEVEN YEARS OF TAKING TITLE TO  
18 THE PROPERTY, OR IF THE ORGANIZATION DOES NOT MEET THE STANDARDS OTHER-  
19 WISE SET FORTH IN THIS SUBDIVISION, THE PROPERTY OWNER WHO RECEIVED THE  
20 BENEFIT OF THE EXEMPTION SHALL PAY ALL PROPERTY TAXES THAT WOULD HAVE  
21 BEEN OWED; PROVIDED, HOWEVER, THAT FAILURE TO PAY DOES NOT CREATE ANY  
22 RIGHT BY ANY GOVERNMENTAL UNIT TO COMMENCE A PROCEEDING TO EFFECTUATE  
23 THE TAKING OF THE PROPERTY BUT DOES CREATE A CAUSE OF ACTION IN CONTRACT  
24 BY ANY GOVERNMENTAL UNIT NEGATIVELY AFFECTED.  
25     S 2. This act shall take effect on the first of January next succeed-  
26 ing the date on which it shall have become a law and shall apply to  
27 assessment rolls prepared on the basis of taxable status dates occurring  
28 on or after such date and shall apply to property irrespective of the  
29 date of the transfer of title.

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

LBD15508-01-0