STATE OF NEW YORK

8526

IN SENATE

May 9, 2018

Introduced by Sen. LITTLE -- 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 tax exemptions for community land trusts and income-restricted homeownership properties

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

Section 1. Section 420-a of the real property tax law is amended by adding a new subdivision 15 to read as follows:

15. Real property owned by a housing development fund company formed pursuant to article eleven of the private housing finance law and section four hundred two of the not-for-profit corporation law which operates as a community land trust as defined in section two hundred thirteen of the housing and community development act of nineteen hundred ninety-two, exclusively for the benefit of persons or families of low income as defined in subdivision ten of section twelve of the private housing finance law, and separately assessed improvements owned by the residents thereof, shall be exempt from taxation and exempt from special ad valorem levies and special assessments to the extent provided in section four hundred ninety of this chapter. The supervising agency of the community land trust shall require an annual certification from the community land trust that the real property land is used exclusively for the benefit of persons or families of low income. The supervising agency may require the community land trust to enter into a regulatory agreement, which shall be co-terminus with any ground lease granted by the community land trust to any qualifying owner of improvements thereon. Notwithstanding the foregoing, any community land trust formed pursuant to section four hundred two of the not-for-profit corporation law and which is located in a city with a population of less than one million shall also be eligible for benefits under this subdivision.

§ 2. Section 422 of the real property tax law is amended by adding a new subdivision 3 to read as follows:

3. Exemption of income-restricted homeownership property. Income-restricted homeownership property, including but not limited to a single or

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

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two-family home or multiple dwelling, which is owned by and operated exclusively for the benefit of persons or families of low income as defined in subdivision ten of section twelve of the private housing finance law and is subject to the terms of a regulatory agreement with a supervising agency, which shall be the city of New York acting by and through the department of housing preservation and development for a community land trust located in the city of New York, or the New York state division of housing and community renewal for any community land trust located outside of the city of New York, for a term of at least thirty years, or is located on any community land trust formed pursuant to section four hundred two of the not-for-profit corporation law and which is located in a city or municipality with a population of less than one million without a regulatory agreement with a supervising agency, which is not otherwise fully exempt from taxation, shall be exempt from taxation and exempt from special ad valorem levies and special assessments to the extent provided in section four hundred ninety of this article, provided that a portion of the assessed value of such property shall be taxable in an amount that will yield a total tax for all purposes at the tax rates in effect on the taxable status date of the assessment roll or rolls on which such property is assessed that shall not exceed either: (a) twenty per centum of the carrying charges of such income-restricted homeownership property; or (b) the maximum resale price of the single or two-family home or multiple dwelling, as required by either a regulatory agreement with the supervising agency or pursuant to the restrictions set forth in the ground lease between a community land trust and the owner of such single or two-family home or multiple dwelling. The taxable assessed value of any single or two-family home or multiple dwelling which is subject to to tax rate based upon twenty per centum of the carrying charges if such income-restricted homeownership property shall be reassessed upon transfer or sale of such income-restricted homeownership property. In the event such income-restricted homeownership property is not transferred or sold for a period of ten years or more, the assessor is hereby authorized to revalue or update the assessment of such income-restricted homeownership property. If the total assessed value of the real property for which such exemption has been granted increases or decreases by more than twenty percent as the result of a revaluation or update of assessments the assessor shall increase or decrease the amount of the taxable assessed value on the roll first reflecting such change in level or revaluation by multiplying the amount of such taxable assessed value by the change in level of assessment factor. If the change in level of assessment factor is determined after the verification and filing of the assessment roll, the assessor shall certify the amount of exemption as recomputed pursuant to this paragraph to the local officers having custody and control of the roll, and such local officers are hereby directed and authorized to enter the recomputed exemption certified by the assessor on the roll. On the assessment roll next following such revaluation or update the taxable assessed valuation shall be computed based on the tax rates in effect on the taxable status date as hereinabove provided. The division of housing and community renewal shall be authorized to promulgate suitable rules and regulations to carry out the provisions of this subsection.

§ 3. This act shall take effect immediately and shall apply to all assessment rolls published after the date this act shall have become a law.