AN ACT to amend the administrative code of the city of New York, in
relation to a tax on the transfer of certain real property within two
years of the prior transfer of such property

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

Section 1. Short title. This act shall be known and may be cited as
the "New York city small home anti-speculation act".
§ 2. Section 11-2101 of the administrative code of the city of New
York is amended by adding five new subdivisions 19, 20, 21, 22 and 23 to
read as follows:

  19. "Prior conveyance of the property." The most recent conveyance of
the real property, whether conveyed on its own or as part of a larger
conveyance.

  20. "Family member." A person's child, spouse, domestic partner,
parent, sibling, grandchild or grandparent, or the child or parent of a
person's spouse or domestic partner.

  21. "New housing." A residential unit or units that did not exist at
the time of the prior conveyance of the property to the extent that the
property had no residential units at the time of the prior conveyance
and at least one residential unit was subsequently added.

  22. "Qualified persons." Qualified persons, as used in this chapter,
shall not include business trusts, estates, trusts, limited liability
companies, limited liability partnerships, limited liability investment
companies, associations, joint ventures, business or nonprofit entities.

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

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public corporations, government or governmental subdivisions, agencies, 
instrumentalities, or other legal or commercial entities.

23. "Mortgagee." The holder of a mortgage and/or note secured by resi-
dential real property, including, as applicable, the original lender 
under a mortgage, its successors and assigns, and the holders of credit 
instrument issued under a trust indenture, mortgage or deed of trust 
pursuant to which such holders act by and through a trustee named in or 
on such credit instrument.

§ 3. The administrative code of the city of New York is amended by 
adding a new section 11-2120 to read as follows:

§ 11-2120 Imposition of flip tax. a. In addition to the tax imposed by 
section 11-2102 of this chapter, there is hereby imposed on each deed, 
instrument or transaction at the time of the transfer whereby any prop-
erties of one to five separate residential units are transferred by a 
grantor to a grantee, and such transfer is made within two years from 
the prior conveyance of the property. The tax, which shall be paid by 
the grantor, shall be at the rate of:

(1) twenty percent when the time since the prior conveyance of the 
property is less than one year; and
(2) fifteen percent when the time since the prior conveyance of the 
property is greater than or equal to one year but less than two years.

b. The tax defined in subdivision a of this section shall expire when 
the time since the prior conveyance of the property is two years.

c. All revenues resulting from the imposition of the tax under this 
section shall be paid to the state comptroller and shall be distributed 
to the division of housing and community renewal to be used to support 
neighborhood preservation companies in a city with a population of one 
million or more.

d. (1) The following qualified persons shall be exempt from the 
payment of the tax imposed by this section:
(i) Property owners conveying property to a family member.
(ii) Property owners who can demonstrate a financial hardship which 
justifies a conveyance of property in less than or equal to two years.
(2) The following properties shall be exempt from the payment of the 
tax imposed by this section:
(i) Property which was conveyed within one year of the death of the 
property owner.
(ii) Property being sold as new housing.
(iii) Property which the consideration or value conveyed, which is 
otherwise subject to the tax imposed in this section, is less than or 
equal to the consideration or value of such property conveyed at the 
time of the prior conveyance of property.
(iv) Property which was conveyed to a mortgagee or an affiliate agent 
of such mortgagee by a mortgagor by deed in lieu of foreclosure or in 
satisfaction of the mortgage debt.
(v) Property which was conveyed to a mortgagee or an affiliated agent 
of such mortgagee pursuant to a foreclosure sale that follows a default 
in the satisfaction of an obligation that is secured by a mortgage.
(vi) Property which is otherwise exempt from payment of a real proper-
ty transfer tax, as defined in this chapter.

§ 4. This act shall take effect on the ninetieth day after it shall 
have become a law and shall apply to conveyances occurring on or after 
such date.