

STATE OF NEW YORK

3060--D

2019-2020 Regular Sessions

IN SENATE

February 1, 2019

Introduced by Sen. SALAZAR -- read twice and ordered printed, and when printed to be committed to the Committee on Cities -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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 Assembly, do enact as follows:

1 Section 1. Short title. This act shall be known and may be cited as
2 the "New York city small home anti-speculation act".

3 § 2. Section 11-2101 of the administrative code of the city of New
4 York is amended by adding five new subdivisions 19, 20, 21, 22 and 23 to
5 read as follows:

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

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

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

16 22. "Qualified persons." Qualified persons, as used in this chapter,
17 shall not include business trusts, estates, trusts, limited liability
18 companies, limited liability partnerships, limited liability investment

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

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1 companies, associations, joint ventures, business or nonprofit entities,
2 public corporations, government or governmental subdivisions, agencies,
3 instrumentalities, or other legal or commercial entities.

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

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

12 § 11-2120 Imposition of flip tax. a. In addition to the tax imposed by
13 section 11-2102 of this chapter, there is hereby imposed on each deed,
14 instrument or transaction at the time of the transfer whereby any prop-
15 erties of one to five separate residential units are transferred by a
16 grantor to a grantee, and such transfer is made within two years from
17 the prior conveyance of the property, including but not limited to
18 transfers which are all cash transactions and transfers of property
19 which has been rented out during such two-year period. The tax, which
20 shall be paid by the grantor, shall be at the rate of:

21 (1) twenty percent when the time since the prior conveyance of the
22 property is less than one year; and

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

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

27 c. All revenues resulting from the imposition of the tax under this
28 section shall be deposited into a special account by the commissioner of
29 finance. Moneys in such account shall be used by New York state homes
30 and community renewal through the affordable housing corporation and the
31 neighborhood preservation program for affordable housing purposes in
32 cities of one million or more.

33 d. (1) The following qualified persons shall be exempt from the
34 payment of the tax imposed by this section:

35 (i) Property owners conveying property to a family member.

36 (ii) Property owners who can demonstrate a financial hardship which
37 justifies a conveyance of property in less than or equal to two years.

38 (2) The following properties shall be exempt from the payment of the
39 tax imposed by this section:

40 (i) Property which was conveyed within one year of the death of the
41 property owner.

42 (ii) Property being sold as new housing.

43 (iii) Property which the consideration or value conveyed, which is
44 otherwise subject to the tax imposed in this section, is less than or
45 equal to the consideration or value of such property conveyed at the
46 time of the prior conveyance of property.

47 (iv) Property which was conveyed to a mortgagee or an affiliate agent
48 of such mortgagee by a mortgagor by deed in lieu of foreclosure or in
49 satisfaction of the mortgage debt.

50 (v) Property which was conveyed to a mortgagee or an affiliated agent
51 of such mortgagee pursuant to a foreclosure sale that follows a default
52 in the satisfaction of an obligation that is secured by a mortgage.

53 (vi) Property which is otherwise exempt from payment of a real proper-
54 ty transfer tax, as defined in this chapter.

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