

STATE OF NEW YORK

3469

2019-2020 Regular Sessions

IN SENATE

February 7, 2019

Introduced by Sens. MONTGOMERY, 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:

1 Section 1. Section 420-a of the real property tax law is amended by
2 adding a new subdivision 17 to read as follows:

3 17. Real property owned by a housing development fund company formed
4 pursuant to article eleven of the private housing finance law and
5 section four hundred two of the not-for-profit corporation law which
6 operates as a community land trust as defined in section two hundred
7 thirteen of the housing and community development act of nineteen
8 hundred ninety-two, exclusively for the benefit of persons or families
9 of low income as defined in subdivision ten of section twelve of the
10 private housing finance law, and separately assessed improvements owned
11 by the residents thereof, shall be exempt from taxation and exempt from
12 special ad valorem levies and special assessments to the extent provided
13 in section four hundred ninety of this article. The supervising agency
14 of the community land trust shall require an annual certification from
15 the community land trust that the real property land is used exclusively
16 for the benefit of persons or families of low income. The supervising
17 agency may require the community land trust to enter into a regulatory
18 agreement, which shall be co-terminus with any ground lease granted by
19 the community land trust to any qualifying owner of improvements there-
20 on. Notwithstanding the foregoing, any community land trust formed
21 pursuant to section four hundred two of the not-for-profit corporation
22 law and which is located in a city or municipality with a population of

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

LBD06368-02-9

1 less than one million shall also be eligible for benefits under this
2 subdivision.

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

5 3. Exemption of income-restricted homeownership property. Income-res-
6 tricted homeownership property, including but not limited to a single or
7 two-family home or multiple dwelling, which is owned by and operated
8 exclusively for the benefit of persons or families of low income as
9 defined in subdivision ten of section twelve of the private housing
10 finance law and is subject to the terms of a regulatory agreement with a
11 supervising agency, which shall be the city of New York acting by and
12 through the department of housing preservation and development for a
13 community land trust located in the city of New York, or the New York
14 state division of housing and community renewal for any community land
15 trust located outside of the city of New York, for a term of at least
16 thirty years, or is located on any community land trust formed pursuant
17 to section four hundred two of the not-for-profit corporation law and
18 which is located in a city or municipality with a population of less
19 than one million without a regulatory agreement with a supervising agen-
20 cy, which is not otherwise fully exempt from taxation, shall be exempt
21 from taxation and exempt from special ad valorem levies and special
22 assessments to the extent provided in section four hundred ninety of
23 this article, provided that a portion of the assessed value of such
24 property shall be taxable in an amount that will yield a total tax for
25 all purposes at the tax rates in effect on the taxable status date of
26 the assessment roll or rolls on which such property is assessed that
27 shall not exceed either: (a) twenty per centum of the carrying charges
28 of such income-restricted homeownership property; or (b) the maximum
29 resale price of the single or two-family home or multiple dwelling, as
30 required by either a regulatory agreement with the supervising agency or
31 pursuant to the restrictions set forth in the ground lease between a
32 community land trust and the owner of such single or two-family home or
33 multiple dwelling. The taxable assessed value of any single or two-fami-
34 ly home or multiple dwelling which is subject to the tax rate based upon
35 twenty per centum of the carrying charges if such income-restricted
36 homeownership property shall be reassessed upon transfer or sale of such
37 income-restricted homeownership property. In the event such income-res-
38 tricted homeownership property is not transferred or sold for a period
39 of ten years or more, the assessor is hereby authorized to revalue or
40 update the assessment of such income-restricted homeownership property.
41 If the total assessed value of the real property for which such
42 exemption has been granted increases or decreases by more than twenty
43 percent as the result of a revaluation or update of assessments the
44 assessor shall increase or decrease the amount of the taxable assessed
45 value on the roll first reflecting such change in level or revaluation
46 by multiplying the amount of such taxable assessed value by the change
47 in level of assessment factor. If the change in level of assessment
48 factor is determined after the verification and filing of the assessment
49 roll, the assessor shall certify the amount of exemption as recomputed
50 pursuant to this subdivision to the local officers having custody and
51 control of the roll, and such local officers are hereby directed and
52 authorized to enter the recomputed exemption certified by the assessor
53 on the roll. On the assessment roll next following such revaluation or
54 update the taxable assessed valuation shall be computed based on the tax
55 rates in effect on the taxable status date as hereinabove provided. The
56 division of housing and community renewal shall be authorized to promul-

1 gate suitable rules and regulations to carry out the provisions of this
2 subdivision. Notwithstanding the provisions of this subdivision, any
3 local assessor that currently employs a method of property assessment
4 and taxation for any income-restricted homeownership property as of the
5 effective date of the chapter of the laws of two thousand nineteen that
6 added this subdivision that would result in a lesser tax burden for such
7 income-restricted homeowner shall be authorized to continue to employ
8 such method as if fully authorized by this subdivision.

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