

# STATE OF NEW YORK

7930

2021-2022 Regular Sessions

## IN ASSEMBLY

June 1, 2021

Introduced by M. of A. DAVILA, RAMOS, WEPRIN, J. RIVERA, RICHARDSON, WILLIAMS, WALKER, BARRON, PRETLOW, PICHARDO, SIMON, COLTON, DICKENS, DE LA ROSA, GLICK, COOK, GOTTFRIED, CRUZ -- Multi-Sponsored by -- M. of A. THIELE -- read once and referred to the Committee on Real Property Taxation

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. Other than in a city having a population of one million or more,  
4 any land owned by a community land trust and separately assessed  
5 improvements owned by the residents thereof, shall be exempt from local  
6 real property taxation and exempt from special ad valorem levies and  
7 special assessments to the extent provided in section four hundred nine-  
8 ty of this article.

9 (a) For the purposes of this subdivision, "community land trust" shall  
10 mean a corporation organized pursuant to the not-for-profit corporation  
11 law and exempt from taxation pursuant to section 501(c)(3) of the inter-  
12 nal revenue code that satisfies the following criteria:

13 (i) such nonprofit corporation's purpose is the creation and mainte-  
14 nance of permanently affordable single-family or multi-family resi-  
15 dences;

16 (ii) all dwellings and units located on land owned by such nonprofit  
17 corporation is sold to a qualified owner to be occupied as the qualified  
18 owner's primary residence or rented to persons or families of low  
19 income; and

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

LBD08406-02-1

1 (iii) any lease with the owner of a single-family home or multi-family  
2 residence shall be for an initial term of ninety-nine years with renewal  
3 rights under the same initial terms and conditions.

4 (b) Failure to comply with the provisions of this subdivision that  
5 require the development and preservation of permanently affordable  
6 single-family or multi-family residences for persons or families of low  
7 income at any time during the duration of the exemption shall result in  
8 revocation of any exemption under this subdivision for the period of  
9 such non-compliance. If an ongoing pattern of non-compliance is found to  
10 exist, such exemption may be revoked from its inception.

11 (c) Enforcement of this subdivision shall be in addition to any other  
12 provisions contained in this chapter or any other law.

13 (d) The revocation of an exemption authorized by this subdivision  
14 shall not exempt a community land trust from continued compliance with  
15 the requirements of this subdivision.

16 § 2. Section 422 of the real property tax law is amended by adding two  
17 new subdivisions 3 and 4 to read as follows:

18 3. Exemption of income-restricted homeownership property in a munici-  
19 pality with a population of less than one million. Income-restricted  
20 homeownership property, including but not limited to a single or two-fa-  
21 family home or multi-family residence, which is owned by and operated  
22 exclusively for the benefit of persons or families of low income as  
23 defined in subdivision nineteen of section two of the private housing  
24 finance law that is subject to a ground lease with a ninety-nine year  
25 renewable term with a community land trust as defined in paragraph (a)  
26 of subdivision seventeen of section four hundred twenty-a of this title,  
27 which is not otherwise fully exempt from taxation, shall be assessed  
28 based upon the resale and rent restrictions set forth in the ground  
29 lease when determining the taxable value of such income-restricted  
30 homeownership property. Notwithstanding the provisions of this subdivi-  
31 sion, any local assessor that currently employs a method of property  
32 assessment and taxation for any income-restricted homeownership property  
33 as of the effective date of the chapter of the laws of two thousand  
34 twenty-one that added this subdivision that would result in a lesser tax  
35 burden for such income-restricted homeowner may continue to employ such  
36 method as if fully authorized by this subdivision.

37 4. Exemption from local real property taxation in a city having a  
38 population of one million or more for certain low-income housing accom-  
39 modations. (a) Eligible real property in a city having a population of  
40 one million or more shall be exempt from local real property taxation  
41 except as may be otherwise provided in the regulatory agreement of such  
42 eligible real property. Such exemption from local real property taxa-  
43 tion shall commence as of the effective date of the regulatory agree-  
44 ment. Upon a default under the regulatory agreement or non-compliance  
45 with this subdivision, the agency may suspend, reduce, terminate or  
46 revoke such exemption, with respect to all or a portion of such eligible  
47 real property as of the date of such default or non-compliance, unless  
48 such default or non-compliance is cured within the time period specified  
49 for any such cure under such regulatory agreement.

50 (b) For the purposes of this subdivision, the following terms shall  
51 have the following meanings:

52 (1) The term "agency" shall mean the department of housing preserva-  
53 tion and development.

54 (2) The term "community land trust" shall mean a corporation organized  
55 pursuant to the not-for-profit corporation law for the purpose of devel-  
56 oping and/or preserving housing accommodations that serve persons and

1 families of low income through its ownership and stewardship of the land  
2 beneath such housing accommodations.

3 (3) The term "eligible entity" shall mean a corporation (i) that is a  
4 housing development fund company formed pursuant to article eleven of  
5 the private housing finance law and section four hundred two of the  
6 not-for-profit corporation law and (ii) the certificate of incorporation  
7 of which requires such housing development fund company to operate sole-  
8 ly as a community land trust.

9 (4) The term "eligible real property" shall mean real property that  
10 provides housing accommodations for persons and families of low income  
11 pursuant to a regulatory agreement, provided that the land portion of  
12 such real property is owned by an eligible entity.

13 (5) The term "persons and families of low income" shall have the mean-  
14 ing set forth in subdivision nineteen of section two of the private  
15 housing finance law.

16 (6) The term "regulatory agreement" shall mean a regulatory agreement  
17 with or approved by the agency that (i) is executed or approved after  
18 the effective date of this subdivision, (ii) requires the provision of  
19 housing accommodations for persons and families of low income, (iii) is  
20 recorded against the eligible real property, (iv) binds all parties in  
21 interest to such eligible real property and their respective successors  
22 and assigns and (v) includes such other terms and conditions as the  
23 agency shall determine, including, but not limited to, provisions  
24 requiring payments in lieu of taxes, for the purpose of developing  
25 and/or preserving housing accommodations that serve persons and families  
26 of low income.

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