STATE OF NEW YORK

1952

2021-2022 Regular Sessions

IN SENATE

January 16, 2021

Introduced by Sen. AKSHAR -- 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 the exemption from taxation for non-profit organizations and to repeal certain provisions of such law relating thereto

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

Section 1. Subdivision 3 of section 420-a of the real property tax law is REPEALED and a new subdivision 3 is added to read as follows:

3. (a) Such real property which is not actually and exclusively used for exempt purposes shall, if owned by an organization exempted from taxation pursuant to the internal revenue code, be exempt though not in actual use therefor by reason of the absence of suitable buildings or improvements thereon if the construction of such buildings or improvements is in progress or is in good faith contemplated by such organization. As used in this subdivision, "in good faith contemplated" means definite plans for utilizing and adapting the property for exempt purposes within five years and the full execution of such plans within seven years. The plans must be proven and must be in written form. The department shall develop guidelines to be utilized by property owners and assessors to determine whether such evidence exists in adequate form.

(b) If no part of the physical improvements to the land are commenced within five years and completed within seven years of taking title to the property, or if the organization does not meet the standards otherwise set forth in this subdivision, the property owner who received the benefit of the exemption shall pay all property taxes that would have been owed; provided, however, that failure to pay does not create any right by any governmental unit to commence a proceeding to effectuate the taking of the property but does create a cause of action in contract by any governmental unit negatively affected.

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

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§ 2. This act shall take effect on the first of January next succeeding the date on which it shall have become a law and shall apply to assessment rolls prepared on the basis of taxable status dates occurring on or after such date and shall apply to property irrespective of the date of the transfer of title.