STATE OF NEW YORK

2380

2021-2022 Regular Sessions

IN ASSEMBLY

January 19, 2021

Introduced by M. of A. NIOU, ROZIC, FRONTUS, SIMON -- read once and referred to the Committee on Real Property Taxation

AN ACT to amend the real property tax law, in relation to establishing the COVID-19 small business recovery lease act of 2021; and providing for the repeal of such provisions upon expiration thereof

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

Section 1. Short title. This act shall be known and may be cited as the "COVID-19 small business recovery lease act of 2021".

§ 2. Article 4 of the real property tax law is amended by adding a new title 6 to read as follows:

TITLE 6

AUTHORIZATION OF REAL PROPERTY TAX ABATEMENT FOR CERTAIN PROPERTIES ENTERING INTO COVID-19 RECOVERY LEASES

Section 499-aaaaa. Definitions.

499-bbbbb. Real property tax abatement.

§ 499-aaaaa. Definitions. For the purpose of this title:

1. "Eligible commercial tenant" shall mean a small business, as defined by section one hundred thirty-one of the economic development law, that enters into or seeks to enter into a COVID-19 recovery lease for property such tenant currently occupies, or for property that is vacant for reasons other than eviction.

2. "COVID-19 recovery lease" shall mean a commercial lease agreement that: (a) is entered into within two years of the effective date of this title between an eligible commercial tenant and a property owner, where either the eligible commercial tenant or the property owner has suffered a financial hardship during the COVID-19 covered period, or both have suffered such a hardship; (b) has a term of not less than ten years; (c) provides for annual rent increases during a term of not less than at least ten years that do not exceed the amounts permitted pursuant to a local law enacted for the purpose of setting such maximum increases; (d)

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

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settles any arrears owed by the tenant pursuant to any previous lease agreement for the leased property; and (e) includes any additional provisions that may be required pursuant to local law.

3. "Benefit period" shall mean the amount of time established by local law during which an eligible property shall receive an abatement of real property taxes pursuant to section four hundred ninety-nine-bbbbb of this title, provided that in no event shall the benefit period be longer than ten years.

4. "COVID-19 covered period" shall mean the period beginning March seventh, two thousand twenty, until the end of the COVID-19 state disaster emergency declared by executive order number two hundred two and any further amendments or modifications thereto, and as may be further extended pursuant to section twenty-eight of the executive law, issued in response to the COVID-19 pandemic, continues to apply in a city having a population of one million or more.

§ 499-bbbbb. Real property tax abatement. 1. Notwithstanding any other provision of law to the contrary, a city having a population of one million or more may, by adopting or amending a local law, offer abatements of real property taxes during a prescribed benefit period to properties in which the property owner enters into a recovery lease with an eligible commercial tenant. Such local law shall provide for: (a) the manner in which it shall be determined whether an eligible commercial tenant or a property owner has suffered a financial hardship during the COVID-19 covered period; (b) the maximum annual rent increases permitted during the term of a recovery lease; (c) the duration of the benefit period; (d) the manner in which the amount of the abatement shall be calculated; and (e) any other terms and conditions the city deems necessary to effectuate the purposes of this title. Such local law may also provide for a maximum aggregate value of all tax abatements that may be granted under this title.

2. In no event shall an abatement granted pursuant to this title exceed the tax liability of the property for which the abatement is granted.

§ 3. This act shall take effect immediately and shall expire and be deemed repealed 12 years after it shall have become a law.