

# 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:

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

3 § 2. Article 4 of the real property tax law is amended by adding a new  
4 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:

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

16 2. "COVID-19 recovery lease" shall mean a commercial lease agreement  
17 that: (a) is entered into within two years of the effective date of this  
18 title between an eligible commercial tenant and a property owner, where  
19 either the eligible commercial tenant or the property owner has suffered  
20 a financial hardship during the COVID-19 covered period, or both have  
21 suffered such a hardship; (b) has a term of not less than ten years; (c)  
22 provides for annual rent increases during a term of not less than at  
23 least ten years that do not exceed the amounts permitted pursuant to a  
24 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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1 settles any arrears owed by the tenant pursuant to any previous lease  
2 agreement for the leased property; and (e) includes any additional  
3 provisions that may be required pursuant to local law.

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

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

16 § 499-bbbbb. Real property tax abatement. 1. Notwithstanding any other  
17 provision of law to the contrary, a city having a population of one  
18 million or more may, by adopting or amending a local law, offer abate-  
19 ments of real property taxes during a prescribed benefit period to prop-  
20 erties in which the property owner enters into a recovery lease with an  
21 eligible commercial tenant. Such local law shall provide for: (a) the  
22 manner in which it shall be determined whether an eligible commercial  
23 tenant or a property owner has suffered a financial hardship during the  
24 COVID-19 covered period; (b) the maximum annual rent increases permitted  
25 during the term of a recovery lease; (c) the duration of the benefit  
26 period; (d) the manner in which the amount of the abatement shall be  
27 calculated; and (e) any other terms and conditions the city deems neces-  
28 sary to effectuate the purposes of this title. Such local law may also  
29 provide for a maximum aggregate value of all tax abatements that may be  
30 granted under this title.

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

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