

# STATE OF NEW YORK

6326

2021-2022 Regular Sessions

## IN SENATE

April 21, 2021

Introduced by Sen. BROUK -- 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. (a) For the purposes of this subdivision, "community land trust"  
4 shall mean a nonprofit corporation organized pursuant to section  
5 501(c)(3) of the U.S. internal revenue code that satisfies the following  
6 criteria:

7 (i) such nonprofit corporation's primary purpose is the creation and  
8 maintenance of permanently affordable single-family or multi-family  
9 residences;

10 (ii) all dwellings and units located on land owned by such nonprofit  
11 corporation is sold to a qualified owner to be occupied as the qualified  
12 owner's primary residence or rented to persons or families of low income  
13 as defined in subdivision ten of section twelve of the private housing  
14 finance law; and

15 (iii) the land owned by the nonprofit corporation, on which a dwelling  
16 or unit sold to a qualified owner is situated, is leased by such corpo-  
17 ration to the qualified owner for the convenient occupation and use of  
18 such dwelling or unit for a renewable term of ninety-nine years.

19 (b) Any land owned by a community land trust as defined in paragraph  
20 (a) of this subdivision and separately assessed improvements owned by  
21 the residents thereof, shall be exempt from taxation and exempt from  
22 special ad valorem levies and special assessments to the extent provided  
23 in section four hundred ninety of this article. The supervising agency  
24 may require the community land trust to enter into a regulatory agree-

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

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1 ment, which shall be co-terminus with any ground lease granted by the  
2 community land trust to any qualifying owner of improvements thereon.  
3 Notwithstanding the foregoing, any community land trust formed pursuant  
4 to section four hundred two of the not-for-profit corporation law and  
5 which is located in a city or municipality with a population of less  
6 than one million shall also be eligible for benefits under this subdivi-  
7 sion.

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

10 3. Exemption of income-restricted homeownership property. Income-res-  
11 tricted homeownership property, including but not limited to a single or  
12 two-family home or multiple dwelling, which is owned by and operated  
13 exclusively for the benefit of persons or families of low income as  
14 defined in subdivision ten of section twelve of the private housing  
15 finance law that is subject to the terms of a regulatory agreement with  
16 a supervising agency, which shall be the city of New York acting by and  
17 through the department of housing preservation and development for a  
18 community land trust located in the city of New York, or the New York  
19 state division of housing and community renewal for any community land  
20 trust located outside of the city of New York, for a term of at least  
21 thirty years, or is located on any community land trust as defined in  
22 paragraph (a) of subdivision seventeen of section four hundred twenty-a  
23 of this title formed pursuant to section four hundred two of the not-  
24 for-profit corporation law and which is located in a city or muni-  
25 city with a population of less than one million without a regulatory  
26 agreement with a supervising agency, which is not otherwise fully exempt  
27 from taxation, shall be assessed based upon the resale and rent  
28 restrictions set forth in the ground lease when determining the taxable  
29 value of such income-restricted homeownership property. The department  
30 shall be authorized to promulgate suitable rules and regulations to  
31 carry out the provisions of this subdivision. Notwithstanding the  
32 provisions of this subdivision, any local assessor that currently  
33 employs a method of property assessment and taxation for any income-res-  
34 tricted homeownership property as of the effective date of the chapter  
35 of the laws of two thousand twenty-one that added this subdivision that  
36 would result in a lesser tax burden for such income-restricted homeowner  
37 shall be authorized to continue to employ such method as if fully  
38 authorized by this subdivision. Only a person or entity that owns the  
39 improvements both legally and beneficially shall qualify for an  
40 exemption under this subdivision.

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