STATE OF NEW YORK

9913

IN SENATE

September 16, 2024

Introduced by Sen. COONEY -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the private housing finance law, in relation to establishing the New York state first home grant program; and to amend the tax law, in relation to excluding the amount of any grant to any first time home buyer awarded or any federal first time home buyer grant program from taxable income for the purpose of calculating New York adjusted gross income

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 "Home Ownership Market Expansion Act" or "HOME Act".

§ 2. The private housing finance law is amended by adding a new article 33 to read as follows:

ARTICLE 33

NEW YORK STATE FIRST HOME GRANT PROGRAM

Section 1300. Program established.
1301. Definitions.
1302. Functions of the commissioner.
1303. Program requirements.

§ 1300. Program established. Within amounts appropriated or otherwise available therefor, the division of homes and community renewal shall establish a first home grant program.

§ 1301. Definitions. As used in this article, the following terms shall have the following meanings:

1. "First time home buyer" shall mean an individual or individuals, at least one of whom has not had an ownership interest in a principal residence at any time, including residences owned in the United States or abroad. No such individual shall own any other home including vacation or investment residences, including residences owned in the United States or abroad, except as otherwise provided in this subdivision. If an individual's only potentially disqualifying present ownership interest is ownership of a mobile or manufactured home, the individual shall be considered a first time home buyer. For the purposes of this article

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

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a "mobile or manufactured home" shall mean a structure that is valued as personal property and not real property. If, due to such individual's ownership of a mobile or manufactured home, such individual has claimed a real estate tax or home mortgage deduction on such individual's personal income tax returns, such individual shall not be considered a first time home buyer regardless of whether the mobile or manufactured home was considered personal or real property.

2. "Ownership interest" shall mean a fee simple interest, a joint tenancy, a tenancy in common, a tenancy by the entirety, the interest of a tenant-share holder in a cooperative, a life estate or a land contract. Interests which do not constitute ownership interests include the following: (a) remainder interests, (b) a lease with or without an option to purchase, (c) a mere expectancy to inherit an interest in a residence, (d) the interest that a purchaser of a residence acquires on the execution of a purchase contract and (e) an interest in real estate other than a residence.

3. "Program" shall mean the New York first home grant program established pursuant to this article.

§ 1302. Functions of the commissioner. 1. The commissioner, in consultation with the state comptroller, shall implement the program under the terms and conditions established by this article.

2. In furtherance of such implementation the commissioner shall:

(a) develop and implement the program in a manner consistent with the provisions of this article through rules and regulations established in accordance with the state administrative procedure act;

(b) engage the services of consultants on a contract basis for rendering professional and technical assistance and advice;

(c) make changes to the program required for the participants in the program to obtain the state benefits or treatment provided by this article;

(d) charge, impose and collect administrative fees and service charges in connection with any agreement, contract or transaction relating to the program;

(e) develop marketing plans and promotion materials;

(f) establish the methods by which the grants be dispersed;

(g) establish the method by which funds shall be allocated to pay for administrative costs; and

(h) do all things necessary and proper to carry out the purposes of this article.

§ 1303. Program requirements. 1. Amounts from a grant under this article shall be used only to provide assistance:

(a) on behalf of a first time home buyer qualified under this article; and

(b) for:

(i) costs in connection with the acquisition, involving an eligible mortgage loan, of an eligible home, including downpayment costs, closing costs, and costs to reduce the rates of interest on eligible mortgage loans;

(ii) subsidies to make shared equity homes affordable to home buyers by discounting the price for which the home will be sold and to preserve the affordability of the home for subsequent home buyers; and

(iii) pre-occupancy home modifications required to accommodate qualified home buyers or members of their household with disabilities.

2. Any grant awarded pursuant to this article:

(a) may be provided on behalf of any first time home buyer only once; and

(b) shall be in the total amount of ten thousand dollars.

3. Grant amounts received by a first time home buyer pursuant to this article shall be considered to supplement any other state or federal assistance provided to such home buyer for the acquisition of such home.

4. Any first time home buyer awarded a grant pursuant to this article shall maintain primary residence at such property for a five year period following acquisition of such property. The commissioner shall require that any first time home buyer awarded a grant pursuant to this article who fails or ceases to occupy the property acquired using such assistance as the primary residence of such home buyer, except in the case of assistance provided in connection with the purchase of a principal residence through a shared equity homeownership program, such home buyer shall repay to the commissioner a proportional amount of the assistance such home buyer receives based on the number of years they have occupied the eligible home.

§ 3. Subsection (c) of section 612 of the tax law is amended by adding a new paragraph 48 to read as follows:

(48) The amount of any grant to any first time home buyer awarded pursuant to article thirty-three of the private housing finance law or any federal first time home buyer grant program shall not be considered taxable income for the purpose of calculating New York adjusted gross income, irrespective of whether it is considered taxable income for federal income tax purposes.

§ 4. This act shall take effect on the one hundred eightieth day after it shall have become a law. Effective immediately, the commissioner of the division of housing and community renewal and the comptroller are authorized to promulgate any rules or regulations necessary to implement the provisions of this act on its effective date on or before such effective date.