

STATE OF NEW YORK

2345

2023-2024 Regular Sessions

IN ASSEMBLY

January 25, 2023

Introduced by M. of A. O'DONNELL -- read once and referred to the
Committee on Real Property Taxation

AN ACT to amend the real property tax law, in relation to not-for-profit
lease of real property

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

1 Section 1. Subdivision 2 of section 420-a of the real property tax
2 law, as amended by section 17 of part A of chapter 68 of the laws of
3 2013, is amended to read as follows:

4 2. If any portion of such real property is not so used exclusively to
5 carry out thereupon one or more of such purposes but is leased or other-
6 wise used for other purposes, such portion shall be subject to taxation
7 and the remaining portion only shall be exempt; provided, however, that
8 such real property shall be fully exempt from taxation although it or a
9 portion thereof is used (a) for purposes which are exempt pursuant to
10 this section or sections four hundred twenty-b, four hundred twenty-two,
11 four hundred twenty-four, four hundred twenty-six, four hundred twenty-
12 eight, four hundred thirty or four hundred fifty of this chapter by
13 another corporation which owns real property exempt from taxation pursu-
14 ant to such sections or whose real property if it owned any would be
15 exempt from taxation pursuant to such sections, (b) for purposes which
16 are exempt pursuant to section four hundred six or section four hundred
17 eight of this chapter by a corporation which owns real property exempt
18 from taxation pursuant to such section or if it owned any would be
19 exempt from taxation pursuant to such section, (c) for purposes which
20 are exempt pursuant to section four hundred sixteen of this chapter by
21 an organization which owns real property exempt from taxation pursuant
22 to such section or whose real property if it owned any would be exempt
23 from taxation pursuant to such section, (d) for purposes relating to
24 civil defense pursuant to the New York state defense emergency act,
25 including but not limited to activities in preparation for anticipated

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

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1 attack, during attack, or following attack or false warning thereof, or
2 in connection with drill or test ordered or directed by civil defense
3 authorities, or (e) for purposes of a tax-free NY area that has been
4 approved pursuant to article twenty-one of the economic development law,
5 subject to the conditions that the real property must have been owned by
6 the corporation or association organized exclusively for educational
7 purposes and exempt pursuant to this section on June first, two thousand
8 thirteen, and that the exemption shall apply only to the portion of such
9 real property that is used for purposes of the START-UP NY program; and
10 provided further that such real property shall be exempt from taxation
11 only so long as it or a portion thereof, as the case may be, is devoted
12 to such exempt purposes and so long as any moneys paid for such use do
13 not exceed the amount of the carrying, maintenance and depreciation
14 charges of the property or portion thereof, as the case may be[-]; and
15 provided further that if the portion of such real property not used
16 exclusively to carry out thereupon one or more of such purposes is
17 leased or otherwise used for commercial for-profit purposes and will
18 have a significant effect on existing patterns of population concen-
19 tration, distribution or growth, or on the existing community or neigh-
20 borhood character, as determined by the local governing body after a
21 public hearing, then the entire parcel of such real property shall be
22 subject to taxation and no portion shall be exempt.

23 § 2. This act shall take effect immediately.