

# STATE OF NEW YORK

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2345

2023-2024 Regular Sessions

## IN ASSEMBLY

January 25, 2023

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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.