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 Assembly, do enact as follows:

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

2. If any portion of such real property is not so used exclusively to carry out thereupon one or more of such purposes but is leased or otherwise used for other purposes, such portion shall be subject to taxation and the remaining portion only shall be exempt; provided, however, that such real property shall be fully exempt from taxation although it or a portion thereof is used (a) for purposes which are exempt pursuant to this section or sections four hundred twenty-b, four hundred twenty-two, four hundred twenty-four, four hundred twenty-six, four hundred twenty-eight, four hundred thirty or four hundred fifty of this chapter by another corporation which owns real property exempt from taxation pursuant to such sections or whose real property if it owned any would be exempt from taxation pursuant to such sections, (b) for purposes which are exempt pursuant to section four hundred six or section four hundred eight of this chapter by a corporation which owns real property exempt from taxation pursuant to such section or if it owned any would be exempt from taxation pursuant to such section, (c) for purposes which are exempt pursuant to section four hundred sixteen of this chapter by an organization which owns real property exempt from taxation pursuant to such section or whose real property if it owned any would be exempt from taxation pursuant to such section, (d) for purposes relating to civil defense pursuant to the New York state defense emergency act, 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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attack, during attack, or following attack or false warning thereof, or in connection with drill or test ordered or directed by civil defense authorities, or (e) for purposes of a tax-free NY area that has been approved pursuant to article twenty-one of the economic development law, subject to the conditions that the real property must have been owned by the corporation or association organized exclusively for educational purposes and exempt pursuant to this section on June first, two thousand thirteen, and that the exemption shall apply only to the portion of such real property that is used for purposes of the START-UP NY program; and provided further that such real property shall be exempt from taxation only so long as it or a portion thereof, as the case may be, is devoted to such exempt purposes and so long as any moneys paid for such use do not exceed the amount of the carrying, maintenance and depreciation charges of the property or portion thereof, as the case may be[~~.~~]**; and provided further that if the portion of such real property not used exclusively to carry out thereupon one or more of such purposes is leased or otherwise used for commercial for-profit purposes and will have a significant effect on existing patterns of population concentration, distribution or growth, or on the existing community or neighborhood character, as determined by the local governing body after a public hearing, then the entire parcel of such real property shall be subject to taxation and no portion shall be exempt.**

§ 2. This act shall take effect immediately.