

STATE OF NEW YORK

10999

IN ASSEMBLY

April 15, 2026

Introduced by M. of A. LEE -- read once and referred to the Committee on Cities

AN ACT to amend the administrative code of the city of New York, in relation to enacting the "teardown tax act"

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

1 Section 1. Short title. This act shall be known and may be cited as
2 the "teardown tax act".

3 § 2. The administrative code of the city of New York is amended by
4 adding a new section 28-112.14 to read as follows:

5 § 28-112.14 Dwelling unit removal surcharge on certain residential
6 property. 1. A dwelling unit removal surcharge is hereby imposed on the
7 issuance of any permit for demolition or alteration that removes one or
8 more dwelling units from the residential housing market. Such surcharge
9 shall be ten thousand dollars per dwelling unit removed from the resi-
10 dential housing market as a result of such demolition or alteration.

11 2. Prior to any issuance of a permit for demolition of any dwelling
12 unit, the department shall determine whether the surcharge imposed by
13 subdivision one of this section shall be assessed. Where the department
14 determines that such surcharge shall be assessed, the applicant shall
15 pay to the department of finance an amount equal to the surcharge
16 required under subdivision one of this section. No permit for demolition
17 of any dwelling unit subject to such surcharge shall be issued by the
18 department until: (a) the applicant for such permit provides the
19 department with a copy of the receipt of payment issued by the depart-
20 ment of finance showing that such surcharge has been paid; and (b) the
21 department of finance provides written notification of such fact to the
22 department.

23 3. Prior to any issuance of a permit for the alteration of any dwell-
24 ing unit, the department shall determine whether the proposed alteration
25 would result in the removal of a dwelling unit from the residential
26 housing market. Where the department determines that such alteration
27 would result in the removal of a dwelling unit from the residential
28 housing market, the surcharge imposed by subdivision one shall apply to

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

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1 such permit and be payable in accordance with the provisions of subdivi-
2 sion two of this section.

3 4. The department shall have, in addition to any other functions,
4 powers and duties which have been or may be conferred on it by law, the
5 power to make and promulgate rules to carry out the purposes of this
6 section. Such rules shall include, but not be limited to, procedures
7 for the department to (a) make a determination as to whether a proposed
8 demolition or alteration will result in a loss of dwelling units in the
9 residential housing market and (b) require that the approval of a demo-
10 lition or alteration permit be conditioned upon the payment of the
11 surcharge if such proposed demolition or alteration would result in such
12 loss.

13 5. All revenues generated by the surcharge shall be transferred to the
14 landmarks preservation commission, established under chapter three of
15 title twenty-five of this code, for the purpose of administering grants
16 under such commission's historic preservation grant program.

17 6. Definitions. For the purposes of this section, the following terms
18 shall have the following meanings:

19 (a) The terms "dwelling unit removal surcharge" or "surcharge" shall
20 mean the dwelling unit removal permit surcharge established under subdivi-
21 vision one of this section.

22 (b) The term "dwelling unit" shall have the same meaning as such term
23 is defined by section 27-2004 of this code.

24 § 3. This act shall take effect on the ninetieth day after it shall
25 have become a law. Effective immediately, the addition, amendment and/or
26 repeal of any rule or regulation necessary for the implementation of
27 this act on its effective date are authorized to be made and completed
28 on or before such effective date.