STATE OF NEW YORK

355--C

R. R. 108

2025-2026 Regular Sessions

IN ASSEMBLY

(Prefiled)

January 8, 2025

Introduced by M. of A. BARRETT, GLICK, HYNDMAN, WOERNER, JONES, EACHUS, LUCAS, COLTON, SIMON, DAVILA, LUPARDO, BEEPHAN, SIMPSON, JACOBSON -- read once and referred to the Committee on Real Property Taxation -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- again reported from said committee with amendments, ordered reprinted as amended and recommitted to said committee -- reported and referred to the Committee on Ways and Means -- reported and referred to the Committee on Rules -- ordered to a third reading, passed by Assembly and delivered to the Senate, recalled from the Senate, vote reconsidered, bill amended, ordered reprinted, retaining its place on the special order of third reading

AN ACT to amend the real property tax law, in relation to partially exempting from taxation certain residential real property transferred to low-income households

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

Section 1. The real property tax law is amended by adding a new section 457-a to read as follows:

§ 457-a. Exemption for eligible residential property transferred to a low-income household. 1. As used in this section:

(a) "Nonprofit housing organization" means a nonprofit organization exempt from certain taxes pursuant to section 501(c)(3) or section 501(c)(4) of the United States internal revenue code and/or that is incorporated under the not-for-profit corporation law whose primary purpose is the construction or renovation of residential affordable housing for conveyance to households that meet certain income requirements.

(b) "Community land trust" means a nonprofit organization exempt from certain taxes pursuant to section 501(c)(3) or section 501(c)(4) of the United States internal revenue code and/or that is incorporated under

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

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the not-for-profit corporation law whose primary purpose is to provide affordable housing by owning land and leasing or selling residential housing situated on that land to households that meet certain income requirements.

(c) "Land bank" means an entity created in accordance with article sixteen of the not-for-profit corporation law.

(d) "Qualified low-income household" means a household with an income upon initial occupancy of the residential property of not more than eighty percent of the area median income, as annually defined by the United States department of housing and urban development, and which has agreed to occupy such residential property as a primary residence. A nonprofit housing organization, community land trust, land bank, or appropriate governmental entity shall certify that a household meets the income and residency criteria to be considered a qualified low-income household and shall determine the income and assets that shall be used to determine a household's income for eligibility purposes.

2. (a) Residential real property subject to a restrictive covenant or declaration, legal requirement, regulatory agreement or other contractual obligation with a governmental entity, nonprofit housing organization, or land bank, and transferred to a qualified low-income household, or where the land is transferred to a community land trust and the residential building situated on the land is or will be leased or sold to a qualified low-income household, shall be exempt as provided in paragraph (b) of this subdivision from taxation levied by or on behalf of any county, city, town, village or school district in which such residential real property is located, provided the legislative body or governing board of such county, city, town or village, after public hearing, adopts a local law, or a school district, other than a school district to which article fifty-two of the education law applies, adopts a resolution opting in to this subdivision.

(b) The real property tax exemption authorized pursuant to paragraph (a) of this subdivision shall be an amount that is not less than twenty-five percent nor more than seventy-five percent of the assessed value of the residential real property.

(c) A copy of any local law or resolution adopted pursuant to paragraph (a) of this subdivision shall be filed with the assessor of the county, city, town, or village that prepares the assessment roll on which the taxes of such county, city, town, village, or school district are levied.

3. (a) The exemption granted pursuant to this section shall be discontinued if the property granted such exemption:

(i) ceases to be used primarily for residential purposes; or

(ii) ceases to be used as a primary residence; or

(iii) is transferred to another person or entity, other than to any heirs or distributees of the owner that meet the requirements of being a qualified low-income household at the time of such transfer.

(b) Upon determining that an exemption granted pursuant to this section should be discontinued, the assessor shall mail a notice so stating to the owner or owners thereof at the time and in the manner provided by section five hundred ten of this chapter. Such owner or owners shall be entitled to seek administrative and judicial review of such action in the manner provided by law, provided that the burden shall be on such owner or owners to establish eligibility for the exemption.

4. Such exemption shall be granted only upon application by the owner or owners of such real property on a form prescribed by the commission-

er. The application shall be filed with the assessor of the county, city, town, or village having the power to assess property for taxation on or before the appropriate taxable status date of such county, city, town, or village.

5. If satisfied that the applicant is entitled to an exemption pursuant to this section, the assessor shall approve the application, and such residential property shall thereafter be exempt from taxation and special ad valorem levies as provided in this section commencing with the assessment roll prepared on the basis of the taxable status date referred to in subdivision four of this section. The assessed value of any exemption granted pursuant to this section shall be entered by the assessor on the assessment roll with the taxable property, with the amount of the exemption shown in a separate column.

§ 2. This act shall take effect immediately.