

STATE OF NEW YORK

50

2025-2026 Regular Sessions

IN ASSEMBLY

(Prefiled)

January 8, 2025

Introduced by M. of A. R. CARROLL, SIMON -- read once and referred to the Committee on Real Property Taxation

AN ACT to amend the real property tax law, in relation to enacting the "New York city arts space 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 "New York city arts space act".

3 § 2. Section 467-m of the real property tax law is amended by adding a
4 new subdivision 4-a to read as follows:

5 4-a. Affordable arts space benefits and requirements. a. For the
6 purposes of this subdivision, the following terms shall have the follow-
7 ing meanings:

8 (i) "Affordable arts space" shall mean a space rented or leased by an
9 eligible arts organization for use as studio, rehearsal, performance
10 space, or arts or cultural programming open to the general public in an
11 eligible multiple dwelling; and

12 (ii) "Eligible arts organization" shall mean a nonprofit organization
13 either incorporated in or registered to do business in the state of New
14 York or an organization located in the state of New York and recognized
15 as tax-exempt under section 501 (c) (3) of the United States internal
16 revenue code.

17 b. An affordable arts space shall meet the following requirements:

18 (i) have a minimum two percent of the aggregate floor area in eligible
19 multiple dwellings and up to fifty percent of such space may be cellar
20 space as defined by a city of New York zoning resolution;

21 (ii) when an eligible arts organization subleases an affordable arts
22 space to an organization that is not an eligible arts organization such
23 rents shall comply with requirements of this subdivision. Such non-eli-
24 gible organizations shall be either incorporated in or registered to do

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

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1 business and such non-eligible organizations shall be located in the
2 state of New York;

3 (iii) be rented at a rate of no more than twenty dollars per square
4 foot per year and the base rent shall be adjusted at a rate not to
5 exceed three percent per year for the term of the arts space restriction
6 period;

7 (iv) the owner of an eligible building prior to entering into a lease
8 or rental agreement with an eligible arts organization shall ensure that
9 such affordable arts space meets the conditions necessary to receive a
10 temporary certificate of occupancy as defined in the administrative code
11 of the city of New York;

12 (v) if the term of the lease or rental agreement entered into by the
13 property owner and an eligible arts organization is less than the bene-
14 fit period, the base rent for the subsequent tenant shall be equivalent
15 to the base rent of the initial tenant as adjusted annually from the
16 start date of the initial lease at a rate of no more than three percent
17 per year; and

18 (vi) any lease or rental agreement entered into by the property owner
19 of an eligible building and an eligible arts organization in addition to
20 being subject to the requirements of this subdivision shall be subject
21 to any other laws, rules, and regulations of the city of New York.

22 c. An affordable arts space shall be entitled to the following bene-
23 fits:

24 (i) for eligible buildings with rental agreements entered into with
25 eligible arts organizations, for every one dollar per square foot per
26 year of rent less than the twenty dollar per square foot maximum per
27 year, the thirty-five year benefit as defined in this section shall be
28 increased by one percent for the first thirty years of the restriction
29 period and one and one-half percent for subsequent years of the
30 restriction period;

31 (ii) for eligible buildings with rental agreements for affordable arts
32 space, for every one dollar per square foot per year of rent less than
33 the twenty dollar per square foot maximum per year, the twenty-five year
34 benefit as defined in this section shall be increased by one percent for
35 the first twenty years of the restriction period and one and a half
36 percent for subsequent years of the restriction period;

37 (iii) for eligible buildings with rental agreements for affordable
38 arts space, for every one dollar per square foot per year of rent less
39 than the twenty dollar per square foot maximum per year, the thirty-five
40 year benefit, the thirty-year benefit, and the twenty-five year benefit
41 shall be extended by six months at the previous year's exemption amount
42 up to five additional years; and

43 (iv) for eligible buildings with rental agreements for affordable arts
44 space rented below ten dollars per square foot per year, the building
45 shall qualify for an exemption from real property taxes of one hundred
46 percent in years one through five of the restriction period if the owner
47 of the eligible building provides a tenant improvement allowance of
48 fifty dollars per square foot and an exemption from real property taxes
49 of one hundred percent in years one through ten if the owner of the
50 eligible building provides a tenant improvement allowance of one hundred
51 dollars per square foot.

52 d. A rental agreement for affordable arts space shall be entered into
53 within one year of an eligible building receiving a temporary certif-
54 icate of occupancy for the residential space of the building. Benefits
55 under this subdivision shall be retroactive to the completion date
56 provided all other requirements of this subdivision are met.

1 e. An eligible multiple dwelling shall comply with the requirements
2 for affordable arts space as defined by this section for the arts space
3 restriction period.

4 f. The arts space restriction period shall be the length of the bene-
5 fit as defined in this section, notwithstanding any earlier termination
6 or revocation of AHCC program benefits.

7 § 3. Subdivision 5 of section 467-m of the real property tax law, as
8 added by section 2 of part R of chapter 56 of the laws of 2024, is
9 amended to read as follows:

10 5. Application of benefit. Based on the certification of the agency
11 certifying eligibility for AHCC program benefits, the department of
12 finance shall determine the amount of the exemption pursuant to subdivi-
13 sions two ~~[and]~~, four and four-a of this section and shall apply the
14 exemption to the assessed value of the eligible multiple dwelling.

15 § 4. This act shall take effect immediately.