STATE OF NEW YORK

1077

2025-2026 Regular Sessions

IN SENATE

(Prefiled)

January 8, 2025

Introduced by Sen. SALAZAR -- read twice and ordered printed, and when printed to be committed to the Committee on Cities 1

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:

Section 1. Short title. This act shall be known and may be cited as the "New York city arts space act".

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

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

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

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

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

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

(ii) when an eligible arts organization subleases an affordable arts space to an organization that is not an eligible arts organization such rents shall comply with requirements of this subdivision. Such non-eligible 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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business and such non-eligible organizations shall be located in the state of New York;

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

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

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

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

c. An affordable arts space shall be entitled to the following benefits:

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

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

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

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

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

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

f. The arts space restriction period shall be the length of the benefit as defined in this section, notwithstanding any earlier termination or revocation of AHCC program benefits.

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

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

§ 4. This act shall take effect immediately.