STATE OF NEW YORK

9867

IN SENATE

April 9, 2026

Introduced by Sen. BOTTCHER -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

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:

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

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

§ 28-112.14 Dwelling unit removal surcharge on certain residential property. 1. A dwelling unit removal surcharge is hereby imposed on the issuance of any permit for demolition or alteration that removes one or more dwelling units from the residential housing market, except as otherwise provided by subdivision four of this section. Such surcharge shall be ten thousand dollars per dwelling unit removed from the residential housing market as a result of such demolition or alteration.

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

3. Prior to any issuance of a permit for the alteration of any dwelling unit, the department shall determine whether the proposed alteration would result in the removal of a dwelling unit from the residential housing market. Where the department determines that such alteration

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

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would result in the removal of a dwelling unit from the residential housing market, the surcharge imposed by subdivision one shall apply to such permit and be payable in accordance with the provisions of subdivision two of this section.

4. The surcharge required under this section shall not apply to:

(a) residential developments that result in a net increase of dwelling units;

(b) demolitions ordered by a government agency or court of competent jurisdiction due to unsafe or hazardous conditions;

(c) the development of public housing by the New York city housing authority or affordable housing, as such term is defined by section 26-2101 of this code, as added by local law one hundred thirty-two of the laws of two thousand eighteen; and

(d) any additional exemptions promulgated by the department and consistent with the purposes of this section.

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

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

7. Definitions. For the purposes of this section, the following terms shall have the following meanings:

(a) The terms "dwelling unit removal surcharge" or "surcharge" shall mean the dwelling unit removal permit surcharge established under subdivision one of this section.

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

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