§ 420-a. Nonprofit organizations; mandatory class. 1. (a) Real property owned by a corporation or association organized or conducted exclusively for religious, charitable, hospital, educational, or moral or mental improvement of men, women or children purposes, or for two or more such purposes, and used exclusively for carrying out thereupon one or more of such purposes either by the owning corporation or association or by another such corporation or association as hereinafter provided shall be exempt from taxation as provided in this section.

(b) Real property such as specified in paragraph (a) of this subdivision shall not be exempt if any officer, member or employee of the owning corporation or association shall receive or may be lawfully entitled to receive any pecuniary profit from the operations thereof, except reasonable compensation for services in effecting one or more of such purposes, or as proper beneficiaries of its strictly charitable purposes; or if the organization thereof for any such avowed purposes be a guise or pretense for directly or indirectly making any other pecuniary profit for such corporation or association or for any of its members or employees; or if it be not in good faith organized or conducted exclusively for one or more of such purposes.

2. If any portion of such real property is not so used exclusively to carry out thereupon one or more of such purposes but is leased or otherwise used for other purposes, such portion shall be subject to taxation and the remaining portion only shall be exempt; provided, however, that such real property shall be fully exempt from taxation although it or a portion thereof is used (a) for purposes which are exempt pursuant to this section or sections four hundred twenty-b, four hundred twenty-two, four hundred twenty-four, four hundred twenty-six, four hundred twenty-eight, four hundred thirty or four hundred fifty of this chapter by another corporation which owns real property exempt from taxation pursuant to such sections or whose real property if it owned any would be exempt from taxation pursuant to such sections, (b) for purposes which are exempt pursuant to section four hundred six or section four hundred eight of this chapter by a corporation which owns real property exempt from taxation pursuant to such section or if it owned any would be exempt from taxation pursuant to such section, (c) for purposes which are exempt pursuant to section four hundred sixteen

of this chapter by an organization which owns real property exempt from taxation pursuant to such section or whose real property if it owned any would be exempt from taxation pursuant to such section, (d) for purposes relating to civil defense pursuant to the New York state defense emergency act, including but not limited to activities in preparation for anticipated attack, during attack, or following attack or false warning thereof, or in connection with drill or test ordered or directed by civil defense authorities, or (e) for purposes of a tax-free NY area that has been approved pursuant to article twenty-one of the economic development law, subject to the conditions that the real property must have been owned by the corporation or association organized exclusively for educational purposes and exempt pursuant to this section on June first, two thousand thirteen, and that the exemption shall apply only to the portion of such real property that is used for purposes of the START-UP NY program; and provided further that such real property shall be exempt from taxation only so long as it or a portion thereof, as the case may be, is devoted to such exempt purposes and so long as any moneys paid for such use do not exceed the amount of the carrying, maintenance and depreciation charges of the property or portion thereof, as the case may be.

3. Such real property from which no revenue is derived shall be exempt though not in actual use therefor by reason of the absence of suitable buildings or improvements thereon if (a) the construction of such buildings or improvements is in progress or is in good faith contemplated by such corporation or association or (b) such real property is held by such corporation or association upon condition that the title thereto shall revert in case any building not intended and suitable for one or more such purposes shall be erected upon such premises or some part thereof.

4. Such real property shall be so exempt although it is used as a polling place upon days of registration and election.

5. Such real property owned and actually used for hospital purposes by a free public hospital which depends for maintenance and support upon voluntary charity, shall be so exempt from taxation although a portion

thereof is leased or otherwise used for the purposes of income, if such income is necessary for and is actually applied to the maintenance and support of such hospital.

6. Such real property outside a city owned by a free public library or held in trust by an educational corporation for free library purposes shall be so exempt from taxation although a portion thereof is leased or otherwise used for purposes of income, if such income is necessary for and is actually applied to the maintenance and support of such library.

7. Real property which was, on the first day of January, nineteen hundred eighty-three owned for more than one hundred years by a corporation organized exclusively for purposes specified in subdivision one of this section under a grant or devise and a special charter granted by the legislature of the state of New York subject to conditions which raise doubt as to the power of such corporation to convey fee title to the property shall, if the property is used exclusively for educational purposes by an educational corporation which owns real property exempt from taxation, or whose real property if it owned any would be exempt from taxation, as lessee for a term of not less than twenty-five years and if such lease were in effect on the first day of January, nineteen hundred eighty-three and requires the lessee to pay all taxes levied against the property, be exempt from taxation to the same extent and subject to the same conditions and exceptions as property owned and used for educational purposes by a corporation organized exclusively for educational purposes, regardless of whether the moneys paid to the lessor by the lessee are limited to the amount of the carrying, maintenance and depreciation charges of the property.

8. Real property exempt from taxation pursuant to this section shall also be exempt from special ad valorem levies and special assessments to the extent provided in section four hundred ninety of this chapter.

9. In addition to the exemption provided in this section, any stadium facility owned by a corporation organized exclusively for educational purposes which is constructed in whole or in substantial part with state

funds shall be exempt from taxation notwithstanding its use by the state, by a municipal corporation for a public use, or by or for not-for-profit organizations.

10. Real property, which on the first day of January, nineteen hundred ninety was exempt from real property taxation pursuant to this section by reason of the ownership and use of such property by a corporation organized exclusively for educational purposes, and which the fee title to such property is conveyed prior to June thirtieth, nineteen hundred ninety-one to a governmental entity, shall be exempt from taxation; provided that (a) as a condition of such conveyance such property is leased, for a term or terms exceeding one hundred years, to an educational corporation whose real property, when used for educational purposes, is exempt from taxation, and (b) such property shall continue to be used by such corporation exclusively for educational purposes subject to the same conditions and exceptions as property owned and used for educational purposes by a corporation organized exclusively for such purposes.

11. An exemption may be granted pursuant to this section upon application by the owner on a form prescribed by the commissioner or any comparable form, which application may be filed with the assessor of the appropriate county, city, town or village on or before the applicable taxable status date. Where the assessor receives no such application, the assessor may nevertheless grant the exemption provided the assessor personally inspects the property and certifies in writing that it satisfies all of the requirements for exemption set forth in this section. Where property is not granted an exemption pursuant to this section, the owner may seek judicial review pursuant to article seven of this chapter or article seventy-eight of the civil practice law and rules.

12. Notwithstanding any provision of this chapter or any other law to the contrary, real property, the fee title to which was acquired on March twenty-third, nineteen hundred ninety-four pursuant to a mortgage foreclosure sale conducted by the federal deposit insurance corporation, by a corporation or association organized exclusively for educational

purposes, and which was used exclusively by such corporation or association for carrying out thereupon educational purposes during the period beginning on the date the fee title was acquired by such corporation or association and ending on June thirtieth, nineteen hundred ninety-five, shall be exempt from taxation for such period as provided in this section. The city of New York may negotiate and execute with the owner of real property in the city of New York qualifying for exemption under this subdivision, an agreement for the payment of unpaid real property taxes and interest thereon that accrued on such property prior to the date on which the fee title to such property was acquired by such owner. Notwithstanding any provision of this chapter or the administrative code of the city of New York or any other law to the contrary, such agreement may require that payment of such taxes and interest thereon be made in quarterly installments over a period not to exceed thirty years.

13. Notwithstanding any provision of this chapter or any other law to the contrary, real property, the fee title to which was acquired on March twenty-third, nineteen hundred ninety-four pursuant to a mortgage foreclosure sale conducted by the federal deposit insurance corporation by a corporation or association organized exclusively for educational purposes, and which has been used exclusively by such corporation or association for carrying out thereupon educational purposes since the date on which the fee title was acquired by such corporation or association, and is currently being used for such purposes, shall be exempt from taxation as provided in this section and the city of New York may cancel and annul any unpaid real property taxes that accrued on such real property prior to the date on which the fee title to such property was acquired by such owner together with any interest accruing on such unpaid real property taxes.

14. Notwithstanding any provision of this chapter or any other law to the contrary, real property in block 1175 in the county of Kings leased to the unified court system for the establishment and operation of a court officer academy authorized pursuant to section two hundred nineteen-b of the judiciary law shall be exempt from taxation for the duration of such lease provided that such property shall be used for

such purpose and provided that title to such property shall not be conveyed to another owner at any time during the duration of such lease.

15. Notwithstanding any provision of this chapter or any other law to the contrary, real property in block 1272 in the borough of Brooklyn, the fee title to which was acquired in 1997 or 1998 in order to establish a museum and center for children by a not-for-profit corporation or association organized exclusively for charitable purposes, and which has been used exclusively by such corporation or association for carrying out thereupon charitable purposes since the date on which the fee title was acquired by such corporation or association, shall be exempt from taxation as provided in this section and the city of New York may cancel and annul any unpaid real property taxes that accrued on such real property prior to the date on which the fee title to such property was acquired by such owner together with any interest accruing such unpaid real property taxes.

16. (a) (i) For the purposes of this subdivision, "municipal corporation" shall mean a county, city, town, village or school district which, after public hearing, adopts a local law, ordinance or resolution, providing that this subdivision shall be applicable to nonprofit organizations within its jurisdiction. Such local law, ordinance or resolution shall apply to property transfers occurring on or after the effective date of such local law, ordinance or resolution. A copy of such local law, ordinance or resolution shall be filed with the commissioner.

(ii) Where a nonprofit organization that meets the requirements for an exemption pursuant to this section, purchases property after the levy of taxes, such nonprofit organization may, if permitted by a local law, ordinance or resolution of the municipal corporation in which the nonprofit organization is located, file an application for exemption with the assessor no later than the time specified in such local law, ordinance or resolution. The assessor shall make a determination of whether the parcel would have qualified for exempt status on the tax roll on which the taxes were levied, had title to the parcel been in the name of the applicant on the taxable status date applicable to the tax roll. The application shall be on a form prescribed by the commissioner.

The assessor, no later than thirty days after receipt of such application, shall notify both the applicant and the board of assessment review, by first class mail, of the exempt amount, if any, and the right of the owner to a review of the exempt amount upon the filing of a written complaint. Such complaint shall be on a form prescribed by the commissioner and shall be filed with the board of assessment review within twenty days of the mailing of such notice. If no complaint is received, the board of assessment review shall so notify the assessor and the exempt amount determined by the assessor shall be final. If the applicant files a complaint, the board of assessment review shall schedule a time and place for a hearing with respect thereto no later than thirty days after the mailing of the notice by the assessor. The board of assessment review shall meet and determine the exempt amount, and shall immediately notify the assessor and the applicant, by first class mail, of its determination. The amount of exemption determined pursuant to this paragraph shall be subject to review as provided in article seven of this chapter. Such a proceeding shall be commenced within thirty days of the mailing of the notice of the board of assessment review to the new owner as provided in this paragraph.

(iii) Upon receipt of a determination of the exempt amount as provided in subparagraph (ii) of this paragraph, the assessor shall determine the pro rata exemption to be credited toward such property by multiplying the tax rate or tax rates for each municipal corporation which levied taxes, or for which taxes were levied, on the appropriate tax roll used for the fiscal year or years during which the transfer occurred times the exempt amount, as determined in subparagraph (ii) of this paragraph, times the fraction of each fiscal year or years remaining subsequent to the transfer of title. The assessor shall immediately transmit a statement of the pro rata exemption credit due to each municipal corporation which levied taxes or for which taxes were levied on the tax roll used for the fiscal year or years during which the transfer occurred and to the applicant.

(iv) Each municipal corporation which receives notice of pro rata exemption credits pursuant to this subdivision shall include an appropriation in its budget for the next fiscal year equal to the aggregate amount of such credits to be applied in that fiscal year. Where a parcel, the owner of which is entitled to a pro rata exemption

credit, is subject to taxation in said next fiscal year, the receiver or collector shall apply the credit to reduce the amount of taxes owed for the parcel in such fiscal year. Pro rata exemption credits in excess of the amount of taxes, if any, owed for the parcel shall be paid by the treasurer of a municipal corporation which levies such taxes for or on behalf of the municipal corporation to all owners of property entitled to such credits within thirty days of the expiration of the warrant to collect taxes in said next fiscal year. Notwithstanding the foregoing, where the municipal corporation has been reimbursed by another municipal corporation for the tax credit to be paid to the owner pursuant to this subdivision, such credit shall be paid to such municipal corporation instead of such owner.

(b) (i) Notwithstanding the provisions of this section, where a nonprofit organization that meets the requirements for an exemption pursuant to this section, purchases property after the taxable status date but prior to the levy of taxes, such nonprofit organization may, if permitted by a local law, ordinance or resolution of the municipal corporation in which the nonprofit organization is located, file an application for an exemption with the assessor within thirty days of the transfer of title to such nonprofit organization. The assessor shall make a determination within thirty days after receipt of such application of whether the applicant would qualify for an exemption pursuant to this section on the assessment roll if title had been in the name of the applicant on the taxable status date applicable to such assessment roll. The application shall be made on a form prescribed by the commissioner.

(ii) If the assessor's determination is made prior to the filing of the tentative assessment roll, the assessor shall enter the exempt amount, if any, on the tentative assessment roll and, within ten days after filing such roll, notify the applicant of the approval or denial of such exemption, the exempt amount, if any, and the applicant's right to review by the board of assessment review.

(iii) If the assessor's determination is made after the filing of the tentative assessment roll, the assessor shall petition the board of assessment review to correct the tentative or final assessment roll in the manner provided in title three of article five of this chapter, with respect to unlawful entries, in the case of wholly exempt parcels, and

with respect of clerical errors, in the case of partially exempt parcels, if the assessor determines that an exemption should be granted and, within ten days of petitioning the board of assessment review, notify the applicant of the approval or denial of such exemption, the amount of such exemption, if any, and the applicant's right to administrative or judicial review of such determination pursuant to article five or seven of this chapter, respectively.

(c) If, for any reason, a determination to exempt property from taxation as provided in paragraph (b) of this subdivision is not entered on the final assessment roll, the assessor shall petition the board of assessment review to correct the final assessment roll.

(d) If, for any reason, the pro rata tax credit as provided in paragraph (a) of this subdivision is not extended against the tax roll immediately succeeding the fiscal year during which the transfer occurred, the assessor shall immediately notify the municipal corporation which levied the tax or for which the taxes were levied of the amount of pro rata exemption credits for the year in which such transfer occurred. Such municipal corporation shall proceed as provided in subparagraph (iv) of paragraph (a) of this subdivision.

(e) If, for any reason, a determination to exempt property from taxation as provided in paragraph (b) of this subdivision is not entered on the tax roll for the year immediately succeeding the fiscal year during which the transfer occurred, the assessor shall determine the pro rata tax exemption credit for such tax roll by multiplying the tax rate or tax rates for each municipal corporation which levied taxes or for which taxes were levied times the exempt amount and shall immediately notify such municipal corporation or corporations of the pro rata exemption credits for such tax roll. Such municipal corporation shall add such pro rata exemption credits for such property to any outstanding pro rata exemption amounts and proceed as provided in subparagraph (iv) of paragraph (a) of this subdivision.