§ 420-b. Nonprofit organizations; permissive class. 1. (a) Real property owned by a corporation or association which is organized exclusively for bible, tract, benevolent, missionary, infirmary, public playground, scientific, literary, bar association, medical society, library, patriotic or historical purposes, for the development of good sportsmanship for persons under the age of eighteen years through the conduct of supervised athletic games, for the enforcement of laws relating to children or animals, 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; provided, however, that such property shall be taxable by any municipal corporation within which it is located if the governing board of such municipal corporation, after public hearing, adopts a local law, ordinance or resolution so providing. None of the following subdivisions of this section providing that certain properties shall be exempt under circumstances or conditions set forth in such subdivisions shall exempt such property from taxation by a municipal corporation whose governing board has adopted a local law, ordinance or resolution providing that such property shall be taxable pursuant to this subdivision.

(b) No local law, ordinance or resolution adopted pursuant to this subdivision shall provide for the taxation of any particular property or owner. Any such local law, ordinance or resolution shall apply alike to all property owned by any corporation or association organized for one or more of the purposes specified in such local law, ordinance or resolution, and used for carrying out thereupon one or more of such purposes. Any purpose so specified in the local law, ordinance or resolution must be one of the purposes listed in paragraph (a) of this subdivision, but the purposes so specified in the local law, ordinance or resolution need not include all the purposes listed in said paragraph. Any local law, ordinance or resolution adopted pursuant to this subdivision may be amended or repealed.

(c) 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 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 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 the purposes listed in subdivision one of this section, but is (a) leased or (b) 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-a, 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 article 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, (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 or (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; 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 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 of 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 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.

6. Real property exempt pursuant to this section from taxation by all municipal corporations within which it is located shall also be exempt from special ad valorem levies and special assessments to the extent provided in section four hundred ninety of this chapter. Real property which is taxable by one or more, but not all, of the municipal corporations within which it is located, pursuant to subdivision one of this section shall also be exempt from such levies and assessments to the same extent except that:

such real property taxable by a town shall be subject to any such levies and assessments which are imposed to defray the costs of improvements or services furnished by the town or by a special district established pursuant to the town law;

such real property taxable by a county shall be subject to any such levies and assessments which are imposed to defray the costs of improvements or services furnished by the county or by a special district established pursuant to the county law; and

such real property taxable by a city shall be subject to any such levies and assessments which are imposed to defray the cost of improvements or service furnished by the city.

7. An exemption may be granted pursuant to this section only upon application made by the owner of the property on a form prescribed by the commissioner. The application shall be filed with the assessor of the appropriate county, city, town or village on or before the taxable status date of such county, city, town or village.

8. (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 file, if permitted by a local law, ordinance or resolution of the municipal corporation in which the nonprofit organization is located, 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.