



Legislation Text

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Res. No. 531

Resolution calling upon the State Legislature to introduce and adopt, and the Governor to sign, legislation which would provide a procedure for the granting of an exemption from real property taxes to eligible property acquired by not-for-profit institutions from the date they take ownership of the real property.

By Council Members Weprin, Jackson, Felder, Gentile, Gerson, James, Nelson, Sears, Mark-Viverito and Foster

Whereas, The State Real Property Tax Law and the New York City Charter provide that the taxable status of real property in the City be fixed for the succeeding fiscal year on January 5th (the “taxable status date”); and

Whereas, It is the status of a parcel of property on January 5th of a given year on which the assessment for purposes of the following year’s taxes is based; and

Whereas, If a qualified nonprofit organization acquires property before the January 5th taxable status date and all other exempt criteria are met, the property tax exemption will commence with the following July 1st property tax roll, but if the property was acquired after the taxable status date, the real property tax exemption would not commence until July 1st of the second year following the acquisition of the property, and the organization would be liable for property taxes for the fiscal year immediately following its acquisition of the property; and

Whereas, This leads to situations in which a qualified tax exempt organization such as a charitable or religious institution acquires property after the January 5th taxable status date and therefore such property is not eligible for a property tax exemption for purposes of the next fiscal year’s property tax roll; and

Whereas, This often results in confusion when the nonprofit organization mistakenly believes that it did

not owe property taxes in the first year of ownership of a parcel of property and fails to pay such taxes; and

Whereas, Such failure to pay property taxes results in a lien on the property, which, with the accrual of interest can become substantial and which can become subject to the City's tax lien sale laws; and

Whereas, On January 4, 2006, the New York State Assembly and Senate introduced A.8119 and S.4733, respectively, which would provide a mechanism for nonprofits to apply for real property tax exemptions from the date they acquired title to otherwise eligible property; and

Whereas, On June 23, 2006, the New York State Assembly passed A.8119; and

Whereas, On June 23, 2006, the New York State Legislature concluded their legislative session without having passed S.4733; and

Whereas, Providing a mechanism for nonprofits to apply for real property tax exemptions from the date they acquired title to otherwise eligible property would alleviate the confusion that currently exists and would allow nonprofits to focus on their missions of providing services to their communities; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the State Legislature to introduce and adopt, and the Governor to sign, legislation which would provide a procedure for the granting of an exemption from real property taxes to eligible property acquired by not-for-profit institutions from the date they take ownership of the real property.

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