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###### **THE NEW YORK CITY COUNCIL**

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**JEFFREY BAKER, LEGISLATIVE DIRECTOR**

##### COMMITTEE ON FINANCE

##### HON. DANIEL DROMM, CHAIR

**COMMITTEE ON GOVERNMENTAL OPERATIONS**

**HON. FERNANDO CABRERA**

##### November 19, 2019

**PROPOSED. INT. 245-A:** By Council Members Reynoso, Rosenthal, Kallos, Espinal, Rose, Ayala, Deutsch, Perkins, Rivera, Treyger, Richards, Torres, Levin, Brannan, the Public Advocate (Mr. Williams), Lander, Yeger, Menchaca, Ampry-Samuel, Miller, Chin, King, Levine, Cornegy, Barron, Adams and Van Bramer

**TITLE:** A Local Law to amend the administrative code of the city of New York, in relation to exemptions from the sale of tax liens

**ADMINISTRATIVE CODE:** Renumbers §11-140 of the Administrative Code; Adds §11-142 to the Administrative Code; Amends §11-319(a) of the Administrative Code; Adds §11-319(a-6) to the Administrative Code; Amends § 11-320(b)(4) of the Administrative Code; and Adds § 11-320(l) to the Administrative Code

**INT. NO. 1776:** By Council Members Ayala and Kallos

**TITLE:** A Local Law to amend the administrative code of the city of New York, in relation to requiring the development of a single application form for the not-for-profit real property tax exemption and the not-for-profit exemption from water and sewer charges

**ADMINISTRATIVE CODE:** Adds §11-246.1 to the Administrative Code

**INT. NO. 1784:** By Council Members Louis, Kallos, Rosenthal and Brannan

**TITLE:** A Local Law to amend the New York city charter, in relation to establishing an office of not-for-profit organization services

**ADMINISTRATIVE CODE:** Adds §20-h to New York city charter

**INT. NO.\_1799:** Council Member Rivera

**TITLE:** To amend the administrative code of the city of New York, in relation to requiring the department of finance to create a guide for not-for-profit organizations

**ADMINISTRATIVE CODE:** Amends §11-135 of the Administrative Code

1. **Introduction**

On November 19, 2019, the Committee on Finance, chaired by Council Member Daniel Dromm, and the Committee on Governmental Operations, chaired by Council Member Fernando Cabrera will hold a joint hearing to consider several pieces of legislation that would improve the communication and relationship between non-for-profit organizations and the City of New York, including Proposed Int. No. 245-A, sponsored by Council Member Reynoso, in relation to exemptions from the sale of tax liens; Int. No. 1776, sponsored by Council Member Ayala, in relation to requiring the development of a single application form for the not-for-profit real property tax exemption and the not-for-profit exemption from water and sewer charges; Int. No. 1784, sponsored by Council Member Louis, in relation to establishing an office of not-for-profit organization services; and Int. No. 1799, sponsored by Council Member Rivera, in relation to requiring the department of finance to create a guide for not-for-profit organizations.

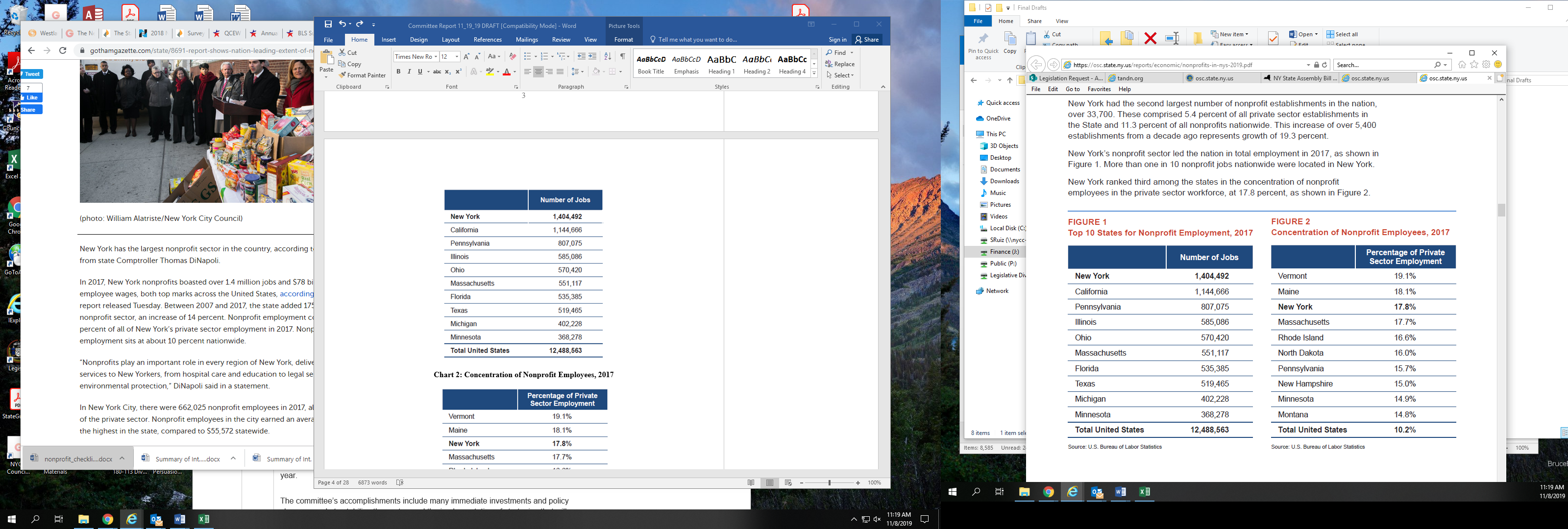
This is the first hearing on each of the four pieces of legislation. Those invited to testify include representatives from the New York City Department of Finance (DOF) and the New York City Department of Environmental Protection (DEP), other representatives from the Administration, and advocacy groups and members of the public.

1. **The State of the Not-for-Profit Sector in New York State and New York City**

Not-for-profit organizations provide a multitude of services throughout New York State.[[1]](#footnote-1) Many not-for-profit organizations deliver vital services on behalf of the State and other governmental entities, including health care, social welfare, care for the disabled, education and much more.[[2]](#footnote-2) Given the important functions of these organizations, it is key to understand the role they play in the economy and the ongoing challenges many of these organizations face in both New York State and New York City.

New York State has the largest not-for-profit sector in the country.[[3]](#footnote-3) In 2017, the New York not-for-profit sector led the nation in total employment by generating over 1.4 million jobs with employment wages over $78 billion (see Chart 1 below). More than one in ten not-for-profit jobs nationwide were located in New York.[[4]](#footnote-4) New York State also ranked third among the states in the concentration of not-for-profit employment in the private sector workforce, at 17.8 percent, following Vermont and Maine[[5]](#footnote-5) (see Chart 2 below). From 2007 through 2017, New York State also added more than 175,000 jobs in the not-for-profit sector, an increase of 14.3 percent.[[6]](#footnote-6)

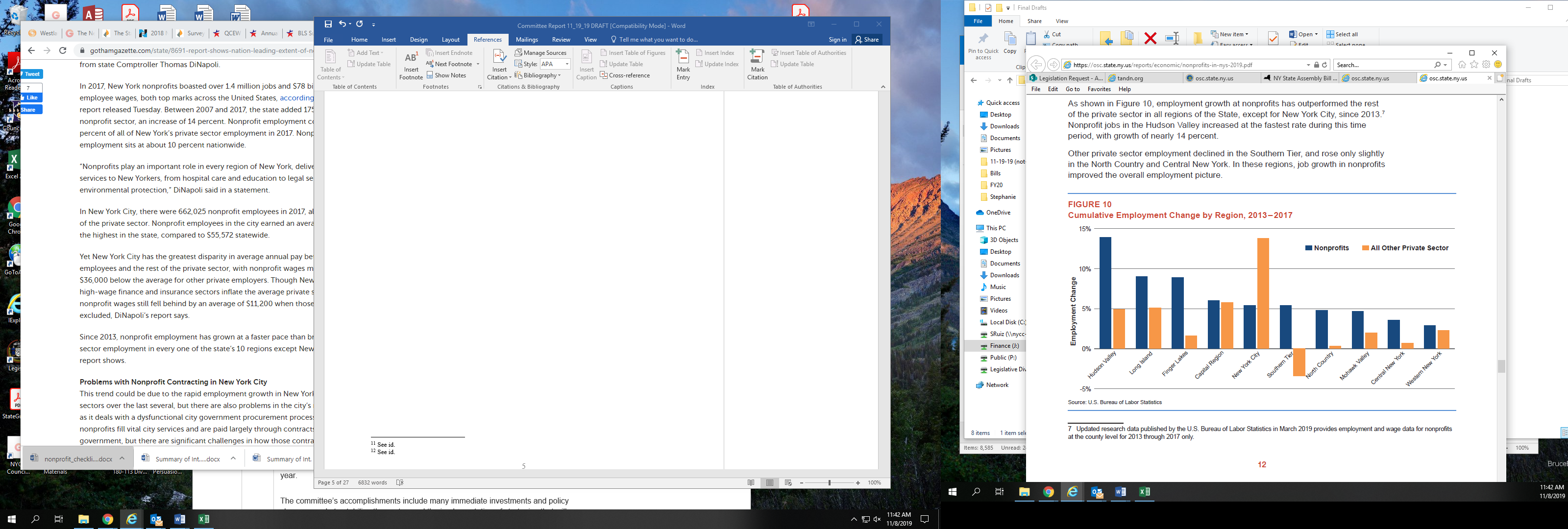
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| **CHART 1**  **Top 10 States for Not-for-Profit Employment, 2017** | **CHART 2**  **Concentration of Not-for-Profit Employees, 2017** |



New York City had the highest number of not-for-profit employees among all regions of the State in 2017, with 662,025 not-for-profit employees.[[7]](#footnote-7) Not-for-profit employees in the City earned an average of $63,056, the highest in the state, compared to $55,572 statewide.[[8]](#footnote-8) Yet despite the employment growth since 2007, the City had the greatest disparity in annual pay, with not-for-profit wages more than $36,000 below the average for other private employers, which averaged at $99,657.[[9]](#footnote-9) While much of this difference is due to the presence of the high-wage finance and insurance sector in New York State, not-for-profit wages were still lower (by approximately $11,200) even when this industry was excluded.[[10]](#footnote-10) With the exception of New York City, employment growth at not-for-profits has outperformed the rest of the private sector in all regions of the State[[11]](#footnote-11) (see Chart 3 below).

**CHART 3**

**Cumulative Employment Change by Region, 2013 – 2017**



Not-for-profit organizations improve the lives of individuals by adding vitality to communities, contributing to local and national economies, and enhancing the overall health of our democracy. But the ability of these organizations to continue the work they do is faced with many challenges.[[12]](#footnote-12) These challenges include:[[13]](#footnote-13)

1. Many not-for-profits strain to meet increasing public need.
2. Policy proposals at all levels of government threaten the work of all not-for-profits.
3. Worrisome trends have been developing regarding charitable giving.
4. Continued lack of diversity, equity, and inclusion.

For purposes of the bills to be heard by the Committees today, the second challenge is most relevant. According to the National Council of Nonprofits, not-for-profit organizations need a reliable, steady, and supportive public policy environment in which to pursue their missions.[[14]](#footnote-14) Yet those missions are vulnerable to actions by policymakers who, whether intentionally or inadvertently, take away needed resources, impose unnecessary burdens, interfere with decision-making, erect harmful barriers, and change laws in ways that disrupt the work of charitable, religious, and philanthropic organizations.[[15]](#footnote-15) For instance, statutory changes to limit or eliminate charitable giving incentives, eliminate tax exemptions for nonprofits, levy new taxes or fees on nonprofits, impose unwieldy regulatory burdens on nonprofits, substitute its opinions for not-for-profit board’s decision-making, or proposed other harmful changes, can all have an significant impact on not-for-profit organizations, many of which are not equipped with the appropriate resources or support to handle these changes.[[16]](#footnote-16)

The Tax Cuts and Jobs Act of 2017 (TCJA),[[17]](#footnote-17) for example, included numerous provisions impacting the work of not-for-profit organizations and the people they serve. Among those changes are: reduced tax incentives for charitable giving; increased taxation of businesses, such as shops and cafés that non-profits commonly use as a source of revenue; and the imposition of an excise tax on certain university endowments.[[18]](#footnote-18) The effects of these provisions have had an adverse impact on the work of not-for-profit organizations in the City.[[19]](#footnote-19)

In a time where federal and state law and policy are in flux and undoubtedly impact the work of not-for-profit organizations nationwide, it is crucial that the City provides the necessary information and assistance needed for these organizations to successfully navigate through governmental policies, procedures, and regulations.

1. **Program and Support Services for Not-for-Profit Organizations in New York City**
   1. **NYC Nonprofits**

“Nonprofit organizations are important partners in improving the lives of countless New Yorkers,”[[20]](#footnote-20) said Mayor Bill de Blasio. “But we want a fuller partnership with these organizations so that we may work together on a range of issues, from policy guidance to more operational matters. We are always looking to serve New Yorkers in a better, more effective way.”[[21]](#footnote-21)

New York City partners with thousands of not-for-profit organizations to deliver critical programs and services to communities throughout the five boroughs.[[22]](#footnote-22) As a City, there is an expressed commitment to provide leadership and support to these vital not-for-profit partners through various funding opportunities and access to helpful resources citywide.[[23]](#footnote-23) Accordingly, the City has developed an Online Resource for Nonprofit Organizations (or *NYC Nonprofits*) webpage to provide information and resources in support of the City’s partnerships with not-for-profit organizations.[[24]](#footnote-24)

Among the resources provided on the webpage is a listing of primary funding streams available to not-for-profit organizations, which include: Health & Human Services; NYC City Council Discretionary Funding; and Arts & Education.[[25]](#footnote-25) The City also provides a wide range of other funding opportunities to further support the work of not-for-profit organizations. The Mayor's Fund to Advance New York City (the “Mayor’s Fund”), for instance, is a 501(c)(3) not-for-profit organization that partners with these organizations to provide a variety of services to fulfill ongoing initiatives with New York City agencies.[[26]](#footnote-26) Other funding resources offered by the City include: grant opportunities from the New York City Department of Small Business Services to support community-based organizations whose services strengthen and revitalize commercial districts;[[27]](#footnote-27) low-cost financing options provided by the New York City Housing Preservation and Development to organizations for the construction of affordable housing on privately- and publicly-owned land;[[28]](#footnote-28) and bond financing options and incentives programs from the New York City Economic Development Corporation to provide access to equitable financing to not-for-profit organizations.[[29]](#footnote-29)

In addition to providing information on funding opportunities on *NYC Nonprofits*, the City also provides information on a variety of other subjects, which include training opportunities, educational materials, recruitment tools, and cost savings techniques that further support not-for-profit organizations.[[30]](#footnote-30) Among these resources is the NYC Good Governance Blueprint (“Blueprint”), which provides best practices, resources, and tools related to governance for not-for-profit executives and board members.[[31]](#footnote-31) The guide was developed by the NYC Nonprofit Board Development Coalition (“Coalition”), led by NYC Service, a division of the Office of the Mayor.[[32]](#footnote-32) The Coalition includes 19 organizations with a shared mission of supporting not-for-profits in the City.[[33]](#footnote-33) The Coalition also leads the Good Governance Summer Academy, a training series based on the Blueprint that provides not-for-profit leadership with the knowledge, tools, and resources to improve their board governance practices.[[34]](#footnote-34)

However, the website does not provide information about other City benefits or services for not-for-profit organizations, notably including no references to the not-for-profit exemptions from property taxes, water and sewer charges, or fire inspection fees.

* 1. **Nonprofit Resiliency Committee**

In 2016, the Nonprofit Resiliency Committee (the “NRC”) was formed with a focus on giving the health and human service not-for-profit community a direct voice in influencing the City’s business practices, policies, and technology solutions, from the Request for Proposal development process to timely contract registration.[[35]](#footnote-35) The NRC, comprised of more than 100 no-for-profit organizations and coalitions, is said to have galvanized City leadership across 40 mayoral agencies and the Department of Education to design and implement meaningful and systemic solutions in the City.[[36]](#footnote-36) Based on NRC recommendations, the City has adopted contracting policies that have resulted in not-for-profits receiving more money, earlier, and with greater spending flexibility.[[37]](#footnote-37)

During the first year of the NRC, it was successful in making immediate investments and policy changes to stabilize the not-for-profit sector with respect to health and human services contracts, which included increased investments in the sector by increasing funding by more than $600 million annually by Fiscal 2021.[[38]](#footnote-38) It also was successful in implementing a cash flow policy which provided a 25 percent advance on all registered City contracts to increase cash flow to service providers.[[39]](#footnote-39) Additionally, NRC implemented strategies that would allow social service organizations to continue delivering high-quality services to vulnerable New Yorkers over the long-term, such as producing a written guide on how City agencies and not-for-profits could work together to design programs and services that achieve the maximum impact for residents. Lastly, NRC offered various educational services to provide more information about the City’s procurement process to the not-for-profit community.[[40]](#footnote-40) The NRC has continued to work with the sector and provide essential information and resources to not-for-profit organizations.

* 1. **Not-For-Profit Task Force**

In October 2018, under the leadership of Commissioner Jacques Jiha, DOF launched a Not-For-Profit Task Force (“Task Force”), comprised of representatives of the Mayor, the New York City Council and members of the not-for-profit community, aimed at connecting not-for-profit property owners across the City with local government resources. More specifically, the Task Force focused on addressing several issues, largely related to the lack of clarity, information, coordination, and outreach about the not-for-profit property tax exemptions, the lien sale, charges imposed by the New York Fire Department, water and sewer charges and exemptions by DEP, and Department of Building inspections.

The Task Force met on a quarterly basis to discuss several issues and concerns raised by the not-for-profit community and advocates. One issue that was discussed was that both DOF and DEP require not-for-profit organizations to complete separate forms to receive such exemptions.[[41]](#footnote-41) A single application form that would allow not-for-profits to easily apply for both type of exemptions and alleviate some of the administrative burden in navigating through the application process.

A second idea that was discussed was to require DOF to create a guide for not-for-profit organizations. Although DOF publishes general guidelines for not-for-profit organizations to determine whether they may be eligible to receive a full or partial property tax exemption,[[42]](#footnote-42) expanding this guideline to include more expansive information for not-for-profit organizations would be a helpful resource to provide.

1. **The Lien Sale Process, Property Tax Exemptions and Other Charges**

Although the City provides the not-for-profit community with a variety of information and resources to better support their mission and work, there is still room for improvement with respect to navigating the City’s lien sale process for those properties owned by not-for-profit organizations.

A lien is a legal claim against real property for unpaid property taxes, water, sewer or other property charges, as well as the interest due on these taxes and charges.[[43]](#footnote-43) When outstanding amounts have been delinquent for a legally specified period of time, and the City has mailed out notices (90-day notice, 60-day notice, 30-day notice, and 10-day notice) to the property owner, the City is permitted to sell the lien(s) to an authorized third party, who becomes the tax lien purchaser.[[44]](#footnote-44) The new tax lien purchaser then has the authority to collect the money that was previously owed to the City, plus other fees and interest.[[45]](#footnote-45)

The New York State Real Property Tax Law (RPTL) exempts property owned by certain not-for-profit organizations used for specified purposes from the real property tax.[[46]](#footnote-46) Additionally, State law exempts certain not-for-profit organizations from water and sewer charges, the non-payment of which may trigger inclusion in the lien sale.[[47]](#footnote-47) Despite the availability of these exemptions for not-for-profit organizations, in certain cases many may neglect to apply or renew their applications for them, which could result in property tax or water/sewer charge liability where none should exist, thereby leading to the potential inclusion in the lien sale.

In 2016, approximately 89 properties owned by not-for-profit property owners for community use were reported to have their tax debt sold through the City’s lien sale process.[[48]](#footnote-48) Among them was the Grace Baptist Church in Bedford-Stuyvesant, which was sold to cover wrongfully levied tax bills, according to a report by Urban Omnibus.[[49]](#footnote-49) The Al-Muneer Foundation, a mosque and community center in Jamaica, Queens was also reported to have its wrongfully issued tax debt sold in 2014 in the City’s tax lien sale.[[50]](#footnote-50) According to the Urban Omnibus report, some organizations either forget to re-file for the exemption or are unaware of the requirement – or unaware that the application requirement is annual – and the properties owned by these organizations are included in the City’s tax lien sale.[[51]](#footnote-51)

In the lien sale held during Fiscal 2019, liens on 73 properties that had received a not-for-profit exemption within the prior five years were sold.[[52]](#footnote-52)

1. **Conclusion**

Not-for-profit organizations, large and small, provide a wide variety of services in health care, education, the arts and other sectors throughout New York State. And yet despite the services provided and the role they have in our communities, not-for-profit organizations continue to face a wide variety of challenges – including those created by policy, law and regulation. It is these challenges that require the ongoing attention of the City. The vital work not-for-profit organizations perform for New York City residents make it all the more important that we develop a better understanding of this sector in the our economy, and provide the needed support, resources and education to ensure that these organizations continue to do the work they were established to do for years to come.

1. **Legislation**
   1. **Analysis of Proposed Int. No. 245-A**

Section 1 of Proposed Int. No. 245-A would provide that §11-140 of the Administrative Code, as added by Local Law 252 of 2017, is renumbered §11-141.

Section 2 of Proposed Int. No. 245-A would require that DOF designate an employee to serve as the ombudsperson for not-for-profit organizations that own real property. The ombudsperson would be responsible for responding to inquiries from not-for-profit owners of real property about real property tax exemptions and the tax lien sale; coordinating and conducting an ongoing public outreach campaign to increase public awareness to not-for-profit owners of real property about available real property tax exemptions and exclusions from the tax lien sale; and coordinating with other agencies and offices to address issues a not-for-profit real property owner may have with such agencies or offices as a result of a tax lien imposed by the department.

Section 3 of Proposed Int. No. 245-A would require that DOF exempt from the City’s lien sale any property owned by a not-for-profit organization that received a property tax exemption under Sections 420-a, 420-b, 446 and 462 of the New York State Real Property Tax Law in at least one of the prior two fiscal years, unless the property had been transferred to a new owner during that time, the property had incurred property taxes or charges making it eligible for a tax lien sale prior to its acquisition by the current owner, or DOF has received documentation indicating that the not-for-profit organization has ceased to operate.

Section 4 of Proposed Int. No. 245-A would provide an exemption for any property for which the owner has, in good faith, submitted an initial or pending renewal application for a not-for-profit property tax exemption pursuant to Sections 420-a, 420-b, 446 and 462 of the New York State Real Property Tax Law with DOF, as well as any property for which the owner is appealing the denial of such an exemption with the Tax Commission. A tax lien may be sold if DOF has denied an initial or renewal application and the owner has not filed an appeal with the Tax Commission, and if a pending renewal application pertains to a property where the Department of Building has issued a Class 1 violation pertaining to the property that has not been resolved.

Section 5 of Proposed Int. No. 245-A would require notice to owners of Class 4 properties of the availability of exemptions and other actions to remove a property from the sale, as well as mandate certain other changes to the lien sale notice

Section 6 of Proposed Int. No. 245-A would require DOF to include information about how to remove a property from the lien sale when denying an application for certain exemptions.

Section 7 of Proposed Int. No. 245-A would require bill would require DOF to report to the Council (within 90 days) on the total number and value of liens included in specified lien sales that would have otherwise been exempt due to not-for-profit or another status.

Section 8 of Proposed Int. No. 245-A would provide that the local law takes effect immediately.

* 1. **Analysis of Int. No. 1776**

Section 1 of Int. No. 1776 would require DOF, in conjunction with the Department of Environmental Protection, to develop a single application form that not-for-profit organizations can submit to apply for both the not-for-profit real property tax exemption and the not-for-profit exemption from water and sewer taxes at the same time.

Section 2 of Int. No. 1776 would provide that the local law takes effect immediately.

* 1. **Analysis of Int. No. 1784**

Section 1 of Int. No. 1784 would require the Mayor to establish an Office of Not-For-Profit Services. Such office would serve as a liaison to not-for-profit organizations in relation to city policies, procedures, regulations, contracting and funding opportunities, programs and benefits affecting the not-for-profit sector. The office would be tasked with (1) conducting outreach to not-for-profit organizations on related city policies, procedures, regulations, contracting and funding opportunities, programs and benefits and solicit feedback to improve the city’s engagement of not-for-profits; (2) work with city agencies to refer not-for-profit organizations to existing city services that may assist them in obtaining relevant exemptions, waivers, permits, registrations or approvals from said city agencies; and (3) provide information about seeking incorporation as an not-for-profit organization. The office would advise the Mayor and heads of city agencies, including the Department of Finance, Department of Buildings, the Economic Development Corporation, the Mayor’s Office of Contract Services, the Mayor’s Office of Management and Budget, on issues related to the not-for-profit sector and interactions with city government. The office would additionally (1) serve as a centralized office for devising solutions to problems arising between not-for-profits and the City government, (2) study the not-for-profit sector and assess its health and economic well-being, (3) make relevant policy, program and/or project recommendations to the mayor, or head of the respective agency under which the office exists, and (4) other duties as might be assigned by the Mayor or head of the respective agency under which the office exists. Finally, the director of such office would be required to produce a report to the Mayor and the Speaker of the City Council that includes, at minimum, the activities of the office, recommendations made by the director pursuant to this section, and the implementation of any such recommendations. Such report would be required within 18 months of the effective date, and then annually thereafter.

Section 2 of Int. No. 1784 would provide that the local law takes effect 90 days after it becomes law.

* 1. **Analysis of Int. 1799**

Section 1 of Int. 1799would require DOF, in consultation with any relevant city agencies or offices, to create and publish an informational brochure with information that would be useful to not-for-profit organizations, including information about relevant taxes, exemptions, abatements, waivers, permits, registrations or approvals that not-for-profit organizations may seek from the City.

Section 2 of Int. 1799would provide that the local law takes effect 90 days after it becomes law.

Proposed Int. No. 245-A

By Council Members Reynoso, Rosenthal, Kallos, Espinal, Rose, Ayala, Deutsch, Perkins, Rivera, Treyger, Richards, Torres, Levin, Brannan, the Public Advocate (Mr. Williams), Lander, Yeger, Menchaca, Ampry-Samuel, Miller, Chin, King, Levine, Cornegy, Barron, Adams and Van Bramer

..Title

A Local Law to amend the administrative code of the city of New York, in relation to exemptions from the sale of tax liens

..Body

Be it enacted by the Council as follows:

Section 1. Section 11-140 of the administrative code of the city of New York, as added by local law number 252 for the year 2017, is renumbered section 11-141.

§2. Chapter 1 of title 11 of the administrative code of the city of New York is amended by adding new section § 11-142 to read as follows:

§ 11-142. Not-for-profit ombudsperson. a. The commissioner of finance shall designate an employee of the department to serve as the ombudsperson for not-for-profit organizations that own real property.

b. The commissioner shall establish a dedicated email address for such ombudsperson, or a link to directly contact such ombudsperson through the department’s website. The name and title of such ombudsperson and the email address or link, as applicable, shall be posted on the department’s website, and on any notice issued by the department pertaining to not-for-profit real property ownership, including, but not limited to:

1. the initial or renewal application for an exemption from real property taxation pursuant to section four hundred twenty-a, four hundred twenty-b, four hundred forty-six, or four hundred sixty-two of the real property tax law;

2. the denial, revocation or termination of such benefits; or

3. the tax lien sale notices required pursuant to § 11-320(b).

c. The duties of such ombudsperson shall include, but need not be limited to:

1. responding to inquiries from not-for-profit owners of real property about real property tax exemptions and the tax lien sale;

2. coordinating and conducting an ongoing public outreach campaign to increase public awareness to not-for-profit owners of real property about available real property tax exemptions and exclusions from the tax lien sale; and

3. coordinating with other agencies and offices to address issues a not-for-profit real property owner may have with such agencies or offices as a result of a tax lien imposed by the department.

§ 3. Subdivision a of section 11-319 of the administrative code of the city of New York, as amended by local law 15 for the year 2011, is amended to read as follows:

a. A tax lien or tax liens on a property or any component of the amount thereof may be sold by the city as authorized by subdivision b of this section, when such tax lien or tax liens shall have remained unpaid in whole or in part for one year, provided, however, that a tax lien or tax liens on any class one property or on class two property that is a residential condominium or residential cooperative, as such classes of property are defined in subdivision one of section eighteen hundred two of the real property tax law, may be sold by the city only when the real property tax component of such tax lien or tax liens shall have remained unpaid in whole or in part for three years or, in the case of any class two residential property owned by a company organized pursuant to article XI of the state private housing finance law that is not a residential condominium or a residential cooperative, as such class of property is defined in subdivision one of section eighteen hundred two of the real property tax law, for two years, and equals or exceeds the sum of five thousand dollars or, in the case of abandoned class one property or abandoned class two property that is a residential condominium or residential cooperative, for eighteen months, and after such sale, shall be transferred, in the manner provided by this chapter, and provided, further, however, that (i) the real property tax component of such tax lien may not be sold pursuant to this subdivision on any residential real property in class one that is receiving an exemption pursuant to section 11-245.3 or 11-245.4 of this title, or pursuant to section four hundred fifty-eight of the real property tax law with respect to real property purchased with payments received as prisoner of war compensation from the United States government, or pursuant to paragraph (b) or (c) of subdivision two of section four hundred fifty-eight-a of the real property tax law, or where the owner of such residential real property in class one is receiving benefits in accordance with department of finance memorandum 05-3, or any successor memorandum thereto, relating to active duty military personnel, or where the owner of such residential real property in class one has been allowed a credit pursuant to subsection (e) of section six hundred six of the tax law for the calendar year in which the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale, occurs or for the calendar year immediately preceding such date, or on any real property that was in receipt of a real property tax exemption pursuant to section four hundred twenty-a, four hundred twenty-b, four hundred forty-six, or four hundred sixty-two of the real property tax law in one of the two fiscal years preceding the date of such sale, unless in that time period the real property has been transferred to a new owner, and (ii) the sewer rents component, sewer surcharges component or water rents component of such tax lien may not be sold pursuant to this subdivision on any one family residential real property in class one or on any two or three family residential real property in class one that is receiving an exemption pursuant to section 11-245.3 or 11-245.4 of this title, or pursuant to section four hundred fifty-eight of the real property tax law with respect to real property purchased with payments received as prisoner of war compensation from the United States government, or pursuant to paragraph (b) or (c) of subdivision two of section four hundred fifty-eight-a of the real property tax law, or where the owner of any two or three family residential real property in class one is receiving benefits in accordance with department of finance memorandum 05-3, or any successor memorandum thereto, relating to active duty military personnel, or where the owner of any two or three family residential real property in class one has been allowed a credit pursuant to subsection (e) of section six hundred six of the tax law for the calendar year in which the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale, occurs or for the calendar year immediately preceding such date. A tax lien or tax liens on any property classified as a class two property, except a class two property that is a residential condominium or residential cooperative, or a class two residential property owned by a company organized pursuant to article XI of the state private housing finance law that is not a residential condominium or a residential cooperative, or class three property, as such classes of property are defined in subdivision one of section eighteen hundred two of the real property tax law, shall not be sold by the city unless such tax lien or tax liens include a real property tax component as of the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale. Notwithstanding any provision of this subdivision to the contrary, any such tax lien or tax liens that remain unpaid in whole or in part after such date may be sold regardless of whether such tax lien or tax liens include a real property tax component. A tax lien or tax liens on a property classified as a class four property, as such class of property is defined in subdivision one of section eighteen hundred two of the real property tax law, shall not be sold by the city unless such tax lien or tax liens include a real property tax component or sewer rents component or sewer surcharges component or water rents component or emergency repair charges component, where such emergency repair charges accrued on or after January first, two thousand six and are made a lien pursuant to section 27-2144 of this code, as of the date of the first publication, pursuant to subdivision a of section 11-320 of this chapter, of the notice of sale, provided, however, that any tax lien or tax liens that remain unpaid in whole or in part after such date may be sold regardless of whether such tax lien or tax liens include a real property tax component, sewer rents component, sewer surcharges component, water rents component or emergency repair charges component. For purposes of this subdivision, the words "real property tax" shall not include an assessment or charge upon property imposed pursuant to section 25-411 of the administrative code. A sale of a tax lien or tax liens shall include, in addition to such lien or liens that have remained unpaid in whole or in part for one year, or, in the case of any class one property or class two property that is a residential condominium or residential cooperative, when the real property tax component of such lien or liens has remained unpaid in whole or in part for three years, or, in the case of any class two residential property owned by a company organized pursuant to article XI of the state private housing finance law that is not a residential condominium or a residential cooperative, when the real property tax component of such lien or liens has remained unpaid in whole or in part for two years, and equals or exceeds the sum of five thousand dollars, any taxes, assessments, sewer rents, sewer surcharges, water rents, any other charges that are made a lien subject to the provisions of this chapter, the costs of any advertisements and notices given pursuant to this chapter, any other charges that are due and payable, a surcharge pursuant to section 11-332 of this chapter, and interest and penalties thereon or such component of the amount thereof as shall be determined by the commissioner of finance. The commissioner of finance may promulgate rules defining "abandoned" property, as such term is used in this subdivision.

§4. Section 11-319 of the administrative code of the city of New York, as amended by local law 94 for the year 2017, is amended by adding a new subdivision a-7 to read as follows:

a-7. Notwithstanding any provision of this chapter to the contrary, no tax lien may be sold pursuant to this chapter on any property for which the owner in good faith has submitted an initial or renewal application that is pending with the department for a real property tax exemption pursuant to section four hundred twenty-a, four hundred twenty-b, four hundred forty-six, or four hundred sixty-two of the real property tax law, or on any real property for which the owner has in good faith filed a pending appeal with the tax commission of the denial of an initial or renewal application for a real property tax exemption pursuant to section four hundred twenty-a, four hundred twenty-b, four hundred forty-six, or four hundred sixty-two of the real property tax law.

§3. Paragraph 4 of subdivision b of section 11-320 of the administrative code of the city of New York, as added by local law 14 for the year 2015, is amended to read as follows:

4. Such notice shall also include, with respect to a property that was in receipt of a real property tax exemption pursuant to section four hundred twenty-a, four hundred twenty-b, four hundred forty-six, or four hundred sixty-two of the real property tax law in one or more of the three fiscal years preceding the date of the notice provided not less than ninety days prior to the date of sale, or with respect to a property in class four, as such class of property is defined in subdivision one of section eighteen hundred two of the real property tax law, information relating to the initial application and renewal process for such property tax exemptions, and other actions available to the owner of such property in the event such property is noticed for sale pursuant to this subdivision, including[, if available,] an adjustment or cancellation of back taxes that may be available pursuant to sections 11-235 and 11-236 of this code. Such notice shall also contain information related to measures that may be taken, including foreclosure, in the event that the owner does not take such actions. Upon [the written] request of the owner of such property, a [Chinese, Korean, Russian or Spanish] translation of such notice in any of the top ten languages most commonly spoken within the city as determined by the department of city planning shall be provided to such owner.

§5. Section 11-320 of the administrative code of the city of New York, as amended by local law 4 for the year 2017, is amended by adding a new subdivision l to read as follows:

l. The commissioner of finance shall include, in any written communication with a property owner related to the denial of a real property tax exemption pursuant to section four hundred twenty-a, four hundred twenty-b, four hundred forty-six, or four hundred sixty-two of the real property tax law, information on how the property owner can remove his or her property from the lien sale.

§6. The commissioner shall submit a report to the council, no later than ninety days following the enactment of the local law that added this section, on liens sold at tax lien sales on properties that would have otherwise been eligible for an exemption from the lien sale pursuant to this section and that have not been sold or transferred to a new owner since the date of the lien sale. Such report shall cover all tax lien sales conducted in fiscal years two thousand eleven, two thousand twelve, two thousand thirteen, two thousand fourteen, two thousand fifteen, two thousand sixteen, two thousand seventeen, and two thousand eighteen and shall include the total number and value of such liens, disaggregated by type of exemption.

§7. This local law takes effect immediately. Section six shall be deemed repealed following submission of the report required by such section.

ENB/RKC

LS#332

LS #5088/Int. No. 1656-2017

4/5/2019

Int. No. 1776

By Council Members Ayala and Kallos

..Title

A Local Law to amend the administrative code of the city of New York, in relation to requiring the development of a single application form for the not-for-profit real property tax exemption and the not-for-profit exemption from water and sewer charges

..Body

Be it enacted by the Council as follows:

Section 1. Chapter 2 of title 11 of the administrative code of the city of New York is amended by adding a new section 11-246.1 to read as follows:

§ 11-246.1. Single application form. The department, in conjunction with the department of environmental protection, shall develop a single application form for a not-for-profit organization to apply for the real property tax exemption provided pursuant to section 11-246, the exemption from water charges provided pursuant to chapter 696 of the laws of New York of 1887, as amended, and the exemption from sewer charges provided pursuant to section 24-514(e). The departments shall also consider other exemptions from municipal charges and fees which are applicable to not-for-profit organizations for inclusion on such application form.

§ 2. This local law takes effect immediately.

RKC

LS #8721

10/18/2019

Int. No. 1784

By Council Members Louis, Kallos, Rosenthal and Brannan

..Title

A Local Law to amend the New York city charter, in relation to establishing an office of not-for-profit organization services

..Body

Be it enacted by the Council as follows:

Section 1. Chapter 1 of the New York city charter is amended by adding a new section 20-h to read as follows:

§ 20-h. Office of not-for-profit organization services. a. Definitions. As used in this section, the following terms have the following meanings:

Director. The term “director” means the director of the office of not-for-profit organization services.

Office. The term “office” means the office of not-for-profit organization services.

b. The mayor shall establish an office of not-for-profit organization services. Such office may be established in the executive office of the mayor and may be established as a separate office or within any other office of the mayor or within any department the head of which is appointed by the mayor. Such office shall be headed by a director who shall be appointed by the mayor or head of such department.

c. The director shall have the power and duty to:

1. Serve as a liaison to not-for-profit organizations in relation to city policies, procedures, regulations, contracting and funding opportunities, programs and benefits affecting the not-for-profit sector and, in such capacity, shall:

(a) Conduct outreach to not-for-profit organizations to provide information and assistance to such organizations in relation to existing city policies, procedures, regulations, contracting and funding opportunities, programs and benefits and to solicit feedback regarding ways in which the city could improve its interaction and engagement with not-for-profit organizations;

(b) Work with other city agencies to refer not-for-profit organizations to city services that exist to help them in seeking to obtain relevant exemptions, waivers, permits, registrations or approvals from city agencies; and

(c) Provide information to individuals or entities who are seeking to incorporate as a not-for-profit organization.

2. Advise and assist the mayor and the heads of city agencies and offices that have powers and duties relating to not-for-profit organizations including, but not limited to, the department of finance, the department of environmental protection, the fire department, the department of cultural affairs, the department of small business services, the department of buildings, the economic development corporation, the office of contract services, and the office of management and budget, on issues relating to the not-for-profit sector including, but not limited to, ways in which not-for-profit organizations’ interactions with the city on regulatory matters or application processes could be simplified;

3. Serve as a central source in connection with efforts to devise solutions for problems within city government affecting not-for-profit organizations;

4. Study conditions affecting the not-for-profit sector in the city and assess its health and economic well-being;

5. Recommend to the mayor or head of such department wherein the office has been established policies, programs and projects which promote the well-being of not-for-profit organizations in the city; and

6. Perform other duties as the mayor or head of such department wherein the office has been established may assign.

d. Within 18 months of the effective date of the local law that added this section, and annually thereafter, the director shall prepare and submit a report to the mayor and the speaker of the council that shall include, but not be limited to, the activities of the office, any recommendations made by the director pursuant to this section, and the implementation of any such recommendations.

§ 2. This local law takes effect 90 days after it becomes law.

RKC

LS #9968

10/4/2019

Int. No. 1799

By Council Member Rivera

A LOCAL LAW

To amend the administrative code of the city of New York, in relation to requiring the department of finance to create a guide for not-for-profit organizations

Be it enacted by the Council as follows:

Section 1. Section 11-135 of the administrative code of the city of New York, as amended by local law number 26 for the year 2018, is amended to read as follows:

§ 11-135 Informational brochures. a. 1. The department of finance shall publish on its website a brochure or brochures written in plain English that contains the following information:

(a) A description of the way the department determines market value and assessed value for all class one and class two property in the city of New York, and the way the property tax assessment determined by such values affects a property owner's property tax bill.

(b) A description of the statement of account, notice of property value or similar document that provides a property owner with a description of his or her property, applied exemptions, and the assessed and market values of such property, and an explanation of the content contained therein.

(c) A description of property tax exemptions and abatements administered by the department, and the eligibility requirements and application deadlines of such property tax exemptions and abatements.

(d) A timeline of deadlines in the fiscal year as they relate to property tax assessment and payment of property taxes.

(e) A description of the process specified in sections one hundred sixty-four, one hundred sixty-four-a, and one hundred sixty-four-b of the New York city charter to dispute assessments determined by the department.

2. The brochure or brochures required by this section shall be published on the department's website as follows:

(a) for class one properties, no later than January fifteenth, two thousand thirteen; and

(b) for class two properties, no later than January fifteenth, two thousand fourteen.

3. Such brochure or brochures shall be updated by the department on a periodic basis.

4. Upon the recording of any document with the city register or the office of the Richmond county clerk transferring an ownership interest in any class one property or in any class two property that is a residential condominium or residential cooperative or a four family residential property, as such classes of property are defined in subdivision one of section eighteen hundred two of the real property tax law, the department shall send by mail, or, for any owner whose email address is known to the department, by email, such brochure to the grantee or grantees of such ownership interest.

b. 1. The department of finance, in consultation with any relevant city agencies or offices, shall create and publish on its website a brochure that contains the following information related to nonprofit organizations:

(a) A description of the eligibility criteria, application process and timeline for any real property tax exemption or abatement that may be available to nonprofit organizations;

(b) A description of all state and local taxes for which a nonprofit organization may have to file a return or exemption application or for which it may otherwise be liable, including a description of the entity which administers the tax and any deductions, exemptions, and abatements relevant to nonprofit organizations;

(c) An explanation of the exemption provided pursuant to section 501(c)(3) of the internal revenue code;

(d) A description of the eligibility criteria, process and timeline for any exemption from water and sewer charges that may be available to nonprofit organizations; and

(e) Information regarding other exemptions, waivers, permits, registrations or approvals that nonprofit organizations may seek from the city, and other relevant regulations, policies, procedures, programs and benefits;

(f) Information regarding the tax lien sale as it relates to nonprofit organizations; and

(g) any other information deemed relevant by the department or the agencies or offices with whom the department consulted to create the brochure.

2. Upon the recording of any document with the city register or the office of the Richmond county clerk transferring an ownership interest in any property to a nonprofit organization, or upon the first time that a property owner is granted an exemption from real property tax pursuant to section 11-246, the department shall send by mail, or, for any owner whose email address is known to the department, by email, such brochure to the grantee or grantees of such ownership interest or to exemption.

§ 2. This local law takes effect 90 days after it becomes law.

RKC

LS #8722

10/17/2019

1. *See* Office of the New York State Comptroller, Thomas P. DiNapoli, *Nonprofit Organizations in New York State: Profile of Employment and Wages* (July 2019) available at <https://osc.state.ny.us/reports/economic/nonprofits-in-nys-2019.pdf> (last accessed on November 8, 2019). [↑](#footnote-ref-1)
2. *See* id. [↑](#footnote-ref-2)
3. *See* id. [↑](#footnote-ref-3)
4. *See* id. [↑](#footnote-ref-4)
5. *See* id. [↑](#footnote-ref-5)
6. *See* id. [↑](#footnote-ref-6)
7. *See* id. [↑](#footnote-ref-7)
8. *See* id. [↑](#footnote-ref-8)
9. *See* id. [↑](#footnote-ref-9)
10. *See* id. [↑](#footnote-ref-10)
11. *See* id. [↑](#footnote-ref-11)
12. *See* National Council of Nonprofits, *Nonprofit Impact Matters: How America’s Charitable Nonprofits Strengthen Communities and Improve Lives* (2019) available at <https://www.nonprofitimpactmatters.org/site/assets/files/1/nonprofit-impact-matters-sept-2019-1.pdf> (last accessed on November 8, 2019). [↑](#footnote-ref-12)
13. *See* id. [↑](#footnote-ref-13)
14. *See* id. [↑](#footnote-ref-14)
15. *See* id. [↑](#footnote-ref-15)
16. *See* id. [↑](#footnote-ref-16)
17. *See* Tax Cuts and Jobs Act of 2017, Public Law 115-409, available at <https://www.congress.gov/115/plaws/publ97/PLAW-115publ97.pdf> [↑](#footnote-ref-17)
18. *See* New York City Comptroller Scott M. Stringer, *Impact of the Tax Cuts and Jobs Act on Non-Profits* (April 2018), available at <https://comptroller.nyc.gov/wp-content/uploads/documents/Impact-of-the-Tax-Cuts-and-Jobs-Act-on-Non-Profits.pdf> (last accessed on November 12, 2019). [↑](#footnote-ref-18)
19. *See* id. [↑](#footnote-ref-19)
20. *See* City of New York, Press Office, *Mayor de Blasio Announces New Nonprofit Resiliency Committee* (September 28, 2016) available at <https://www1.nyc.gov/office-of-the-mayor/news/779-16/mayor-de-blasio-new-nonprofit-resiliency-committee> (last accessed on November 12, 2019). [↑](#footnote-ref-20)
21. *See* id. [↑](#footnote-ref-21)
22. *See* NYC Nonprofits, <https://www1.nyc.gov/site/nonprofits/index.page> (last accessed on November 12, 2019). [↑](#footnote-ref-22)
23. *See* id. [↑](#footnote-ref-23)
24. *See* id. [↑](#footnote-ref-24)
25. *See* NYC Nonprofits, Funding Opportunities, <https://www1.nyc.gov/site/nonprofits/funding-opportunities/funding-opportunities.page> (last accessed on November 12, 2019). [↑](#footnote-ref-25)
26. *See* NYC Nonprofits, Other Funding Opportunities*,* <https://www1.nyc.gov/site/nonprofits/funding-opportunities/other-funding-opportunities.page>(last accessed on November 12, 2019). [↑](#footnote-ref-26)
27. *See* id. [↑](#footnote-ref-27)
28. *See* id. [↑](#footnote-ref-28)
29. *See* id. [↑](#footnote-ref-29)
30. *See* NYC Nonprofits, Resources, <https://www1.nyc.gov/site/nonprofits/resources/board-governance.page> (last accessed on November 12, 2019). [↑](#footnote-ref-30)
31. *See* id. [↑](#footnote-ref-31)
32. *See* id. [↑](#footnote-ref-32)
33. *See* id. [↑](#footnote-ref-33)
34. *See* id. [↑](#footnote-ref-34)
35. *See* NYC Nonprofits, Nonprofit Resiliency Committee, <https://www1.nyc.gov/site/nonprofits/funded-providers/nonprofit-resiliency-committee.page> (last accessed on November 12, 2019). [↑](#footnote-ref-35)
36. *See* id. [↑](#footnote-ref-36)
37. *See* id. [↑](#footnote-ref-37)
38. *See* City of New York, Press Office, Mayor de Blasio Highlights Accomplishments of Nonprofit Resiliency Committee's First Year (October 11, 2017) available at <https://www1.nyc.gov/office-of-the-mayor/news/652-17/mayor-de-blasio-highlights-accomplishments-nonprofit-resiliency-committee-s-first-year> (last accessed on November 12, 2019). [↑](#footnote-ref-38)
39. *See* id. [↑](#footnote-ref-39)
40. *See* id. [↑](#footnote-ref-40)
41. *See* New York City Department of Finance, Exemption from Real Estate Taxation for Property

    Owned by Non-Profit Organizations, available at <https://www1.nyc.gov/assets/finance/downloads/pdf/08pdf/not_for_profit_appl.pdf>; New York City Department of Environmental Protection, Application for Exemption from Water and Sewer Charges, available at <http://www.nyc.gov/html/dep/pdf/water_sewer/application-for-exemption-from-water-and-sewer-charges.pdf> (last accessed on November 12, 2019). [↑](#footnote-ref-41)
42. *See* New York City Department of Finance, <https://www1.nyc.gov/site/nfp/index.page> (last accessed on November 12, 2019). [↑](#footnote-ref-42)
43. *See generally*, NYC Administrative Code, Title 11, Chapter 3. [↑](#footnote-ref-43)
44. *See* NYC Administrative Code § 11-319. [↑](#footnote-ref-44)
45. *See id.* [↑](#footnote-ref-45)
46. *See* N.Y. RPTL §§420-a, 420-b, 446 and 462. [↑](#footnote-ref-46)
47. *See* Chapter 696 of the laws of New York of 1887, as amended. [↑](#footnote-ref-47)
48. *See* Gothamist, Nathan Tempey, *Hundreds Of Nonprofits At Risk Of Having Their Tax Debt Sold—Even Though Many Should Likely Be Tax Exempt* (May 9, 2017) available at <https://gothamist.com/news/hundreds-of-nonprofits-at-risk-of-having-their-tax-debt-sold8212even-though-many-should-likely-be-tax-exempt> (last accessed on November 12, 2019). [↑](#footnote-ref-48)
49. *See* id. [↑](#footnote-ref-49)
50. *See* id. [↑](#footnote-ref-50)
51. *See* Urban Omnibus, DW Gibson, *For Sale: Nonprofits* (November 9, 2016), available at <https://urbanomnibus.net/2016/11/for-sale-nonprofits/> (last accessed on November 12, 2019). [↑](#footnote-ref-51)
52. *See* New York City Department of Finance, List of NFP Lien Sale Property with Tax Exemptions, available at <https://www1.nyc.gov/assets/finance/downloads/pdf/lien_sale/2019/final/nfp-notice.pdf> (last accessed on November 12, 2019). [↑](#footnote-ref-52)