



ALBANY COUNTY
LAND BANK CORPORATION

June 22, 2021

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Adam Zaranko

Michael McGuire
Director
Albany County Real Property Tax Service Agency
112 State Street, Room 1340
Albany, NY 12207

Re: New York State Land Bank Statutory Exemptions

Mr. McGuire,

The Albany County Land Bank was established in 2014 by Albany County to facilitate the process of acquiring, improving, and redistributing tax-foreclosed, vacant, or abandoned properties.

As a New York State Land Bank established under Article 16 of the New York State Not-For-Profit Corporation Law (the Land Bank Act) all income, operations and real property of the Albany County Land Bank Corporation is exempt from taxation by the State of New York and by any of its political subdivisions.

New York State Land Banks are also exempt from all special ad valorem levies, special assessments, sewer rents and user charges. In accordance with §1608(a) of the Land Bank Act, the tax-exempt status of all land bank property, inclusive of all statutory exemptions, is effective upon the date of transfer of title to a land bank.

Enclosed, please find tax correction forms pertaining to property taxes levied on real property owned by the Albany County Land Bank Corporation. I respectfully request these corrections be reviewed and corrected in accordance with the exemptions provided to us under New York State law.

I have attached more information pertaining to the statutory exemptions provided to New York State Land Banks for your reference. Should you have any questions, please do not hesitate to contact Erica Ganns, Assistant Director of Operations at (518) 407-0309 or eganns@albanycountylandbank.org.

Thank you for your time and consideration,

Adam Zaranko
Executive Director

BARCLAY DAMON LLP

MEMORANDUM

TO: New York Land Bank Association
FROM: John P. Sidd, Esq.
DATE: February 1, 2019
RE: §1608(a) of the Land Bank Act

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On December 28, 2018 Governor Cuomo signed into law the latest amendment to §1608(a) of the Land Bank Act. Section 1608(a) has now been amended on four occasions since its original passage in 2011 and, as such, this memorandum is intended to summarize the current version of this important section of the Land Bank Act. The current version of §1608(a) is inserted at the end of this memorandum for your convenience.

Section 1608(a) begins by setting forth the fundamental tax exempt status of land banks by exempting the real property of a land bank and its income and operations from all taxation by the State of New York and by any of its political subdivisions. No additional filings are necessary or required with the State of New York or any of its political subdivisions, including local real property assessors, to implement the tax exemption applicable to income, operations or real property.

The real property tax exemption set forth in the first sentence of §1608(a) is applicable to the general purpose local tax levy. The general purpose local tax levy finances the activity of local government by an ad valorem levy upon taxable real property within the jurisdiction of the local government to provide a general benefit to the entire jurisdiction. The ad valorem general purpose local tax is a tax that is imposed proportionately based upon the assessed value of real property. In addition to the general purpose local tax, real property is often subject to additional fees which generally fall into the following three categories: special ad valorem levies, special assessments or user charges (please note there are no special ad valorem levies in cities). These additional fees may be ad valorem or unit/usage-based and are imposed on real property located within a special district for municipal improvements or services benefitting the particular real property assessed.

For most real property tax exempt owners, their tax exemption begins and ends with exemption from the general purpose local tax and they remain responsible for all special ad valorem levies, special assessments and user charges. Fortunately, the

second sentence of §1608(a) entitles land banks to a complete exemption from special ad valorem levies, special assessments, sewer rent (a type of user charge imposed by Article Fourteen-F of the General Municipal Law) and all other user charges imposed by any municipal corporation, special district or other political subdivisions of the state.

The exemption to user charges, however, is not applicable to real property for which a land bank receives rent, fees, or other charges for the use of such real property. While this limitation will most often impact land bank real property which is occupied by a rent paying tenant, please keep in mind that onetime event use of land bank real property for a fee could jeopardize this additional exemption. Land banks should be prepared to demonstrate to their local assessors which of its properties generate rent, fees, or other charges and, more importantly, which do not.

The December 2018 amendment provides that the tax exempt status of land bank property, which includes all of the exemptions discussed above, shall be effective upon the date of transfer of title to a land bank. There is no longer a need to wait until the next taxable status date as land bank property will now be transferred to the tax exempt roll immediately upon acquisition. An immediate real property tax exemption upon acquisition is uncommon and, therefore, land banks should be prepared to bring this exemption to the attention of local assessors and taxing jurisdictions.

The exemption to the general purpose local tax has been in place since the original adoption of the Land Bank Act in 2011. The exemption to special ad valorem levies and special assessments has been in place since November of 2016. The exemption to user charges, including sewer rent, has been in place since October of 2017. All of the above exemptions being effective upon the date of transfer of title to a land bank was immediately effective as of December 28, 2018.

Section 1608(a) concludes by providing land banks with an exemption to all filing and recording fees imposed by County Clerks. Land banks join only the State of New York and County Governments in being exempt from such recording fees. While the exemption applies to any and all documents either filed or recorded with a County Clerk, land banks will most frequently enjoy the benefit in relation to the recording of deeds, mortgages, mortgage discharges and the filing of Transfer Tax Returns (TP-584) and Real Property Transfer Reports (RP-5217).

§1608(a) of the Land Bank Act

The real property of a land bank and its income and operations are exempt from all taxation by the state of New York and by any of its political subdivisions. The real property of a land bank shall be exempt from: (i) all special ad valorem levies and special assessments as defined in section one hundred two of the real property tax law; (ii) sewer rent imposed under article fourteen-F of the general municipal law; and (iii) any and all user charges imposed by any municipal corporation, special district or other political subdivisions of the state, provided, however, that real property of a land bank for which such land bank receives rent, fees, or other charges for the use of such real property shall not be exempt from subparagraphs (ii) and (iii) of this paragraph. Such exempt status shall be effective upon the date of transfer of title to a land bank, notwithstanding the applicable taxable status date. Notwithstanding any other general, special or local law relating to fees of clerks, no clerk shall charge or collect a fee for filing, recording or indexing any paper, document, map or proceeding filed, recorded or indexed for a land bank, or an officer thereof acting in an official capacity, nor for furnishing a transcript, certification or copy of any paper, document, map or proceeding to be used for land bank purposes.

Assessor Manual, Exemption Administration: NPCL section 1608

Exemption Administration Manual—Part 2: Private Community Service and Social Organizations

Section 4.05, NPCL section 1608: Land Banks

Exemption code: 25900

Year originally enacted: 2011

Related statutes: NPCL Art. 16; RPTL §1102(6)

Summary:

If a city, town, village or county adopts a local option to create a land bank under Not-for-Profit Corporation Law Article 16 for purposes of acquiring, holding, managing and developing tax-delinquent, tax foreclosed, vacant, and abandoned property for the eventual return of such property to productive use, such property acquired or transferred to the land bank or a lawfully organized subsidiary becomes exempt from all taxation, special ad valorem levies and special assessments. Each land bank created must be a Type-C not-for-profit corporation, with the power to design, develop, construct, demolish, reconstruct, rehabilitate, renovate, relocate and otherwise improve real property or rights or real property rights and interests. The term of the exemption benefit for an acquired property extends up to when the land bank transfers the property, or until the land bank dissolves, whichever comes first.

Eligibility requirements:

Ownership requirements:

Property must be owned by a land bank created under Article 16 of the NPCL, which for purposes of this exemption is defined as a Type-C not for profit corporation, and created by a foreclosing governmental unit or units (defined as a taxing district of a city, town, village or county). Or the property must be owned by a lawfully organized subsidiary of such land bank.

Property location requirements: Property acquired or held by a land bank must be located within the foreclosing governmental unit or units which created the land bank, unless the land bank is granted authority under an intergovernmental cooperation agreement with another municipality (city, town, village, or county) to manage and maintain the property located within such other municipality. If a county creates a land bank, such land bank's power to acquire real property is limited to those portions of the county located outside of the geographic boundaries of any other land bank created by other foreclosing governmental units located partially or entirely within such county.

Note: A school district partially or wholly located in a foreclosing governmental unit or units which created the land bank may participate in such land bank under an intergovernmental cooperation agreement concerning the land bank's operation.

Property use requirements:

Property acquired by the land bank must be limited to real property that is tax-delinquent, tax foreclosed, vacant or abandoned. However, a land bank may enter into an agreement to purchase other real property that is consistent with a redevelopment plan approved by the foreclosing governmental unit or units which created the land bank. In any event, the land bank must maintain all of the real property according to the laws and ordinances of the jurisdiction in which the property is located.

Certification by state or local government:

Creation of a land bank must be approved by the New York State Urban Development Corporation (doing business as the Empire State Development Corporation). No more than thirty-five land banks may exist at any given time across the state. Furthermore, each land bank that produces a redevelopment plan must submit such a plan to the foreclosing governmental unit or units for approval.

Required construction start date or other time requirement:

Exempt status is effective upon the date of transfer of title to a land bank.

Local option:

Yes - Each foreclosing governmental unit may choose whether or not to create a land bank under Article 16 of the Not-for-Profit Corporation Law. The option must be exercised through adoption of a local law, ordinance or resolution after a public hearing. Once the option to create the land bank is adopted, exemption from taxation becomes available to property acquired by the land bank.

Limitation on exemption:

Limitation on exemption by amount, duration, and taxing jurisdiction

Type of limitation	General municipal taxes	School district taxes	Special ad valorem levies	Special assessments
Amount	No limit*	No Limit*	No limit*	No limit*

Duration	No limit**	No limit**	No limit**	No limit**
Taxing jurisdiction: county or county special district	Exempt***	Not applicable	Exempt***	Exempt***
Taxing jurisdiction: city	Exempt*	Not applicable	Not applicable	Exempt*
Taxing jurisdiction: town or town special district	Exempt*	Not applicable	Exempt*	Exempt*
Taxing jurisdiction: village	Exempt*	Not applicable	Not applicable	Exempt*
Taxing jurisdiction: school district	Not applicable	Exempt****	Not applicable	Not applicable

*If land bank is created by municipal option;

**Unless and until sold or transferred by land bank, or until dissolution of land bank, whichever occurs first

***Exemption by county-created land bank is limited to areas outside of land banks created by other municipalities located partially or wholly within such county

****If property is located in portion of school district that is part of land bank

Payments in lieu of taxes:

None required.

Calculation of exemption:

General municipal and school district taxes: 100% of assessed value.

Special ad valorem levies and special assessments: 100% of assessed value.

Assessment roll section:

Exempt (RPS Roll Section 8)

Filing requirements (owner or occupant of property):

None.

Reporting requirements (Assessor):

None.

Similar exemptions:

None.

Updated: January 02, 2019



Department of Taxation and Finance
Office of Real Property Tax Services

Application for Corrected Tax Roll

RP-554
(12/19)

Part 1 – General information: To be completed in duplicate by the applicant.

Names of owners Albany County Land Bank Corporation			
Mailing address of owners (number and street or PO box) 69 State Street 8th Floor		Location of property (street address) 58 Vliet Street	
City, village, or post office Albany	State NY	ZIP code 12207	City, town, or village Cohoes
Daytime contact number 5184070309		Evening contact number	State NY
Account number (as appears on tax bill)		ZIP code 12047	
Tax map number of section/block/lot: Property Identification (see tax bill or assessment roll) 10.50-1-34		Amount of taxes currently billed 1405.11 1325.58	
Reasons for requesting a correction to tax roll: The ACLB is tax exempt upon the day of transfer of title, notwithstanding the applicable taxable status date.			

I hereby request a correction of tax levied by Albany for the year(s) 2021
(County, city, village, etc.)

Signature of applicant [Signature] Date 1/7/2021

Part 2 – To be completed by the County Director or Village Assessor. Attach a written report including documentation and recommendation. Specify the type of error and paragraph of subdivision 2, 3, or 7 of Section 550 under which the error falls.

Date application received <u>6/22/2021</u>	Period of warrant for collection of taxes <u>1/1/2021</u>
Last day for collection of taxes without interest <u>2/31/2021</u>	Recommendation Approve application <input checked="" type="checkbox"/> Deny application <input type="checkbox"/>
Signature of official <u>[Signature]</u>	Date <u>6/23/2021</u>

If approved, the County Director must file a copy of this form with the assessor and board of assessment review of the city/town/village of _____ who must consider the attached report and recommendation as equivalent of petitions filed under section 553.

Part 3 – For use by the tax levying body or official designated by resolution _____ : (insert number or date, if applicable)

Application approved (mark an X in the applicable box):

Clerical error ☐ Error in essential fact ☐ Unlawful Entry ☒

Amount of taxes currently billed <u>1325.58</u>	Corrected tax <u>0</u>
Date notice of approval mailed to applicant	Date order transmitted to collecting officer

Application denied (reason): _____

Signature of chief executive officer, or official designated by resolution _____ Date _____

City of Cohoes
97 Mohawk Street
Cohoes, NY 12047
(518) 233-2111

BANK CORP ALBANY COUNTY LAND
69 STATE ST FL 8TH
ALBANY NY 12207

April 7, 2021

010300 10.50-1-34
Location : 58 VLIET ST

*** DELINQUENT NOTICE ***

In accordance with the New York State Real Property Law you are hereby notified that the parcel described above has delinquent taxes and / or water / sewer remaining unpaid.

The following bills are due:

YEAR	TYPE	BILL NO	PRINCIPAL	FEES	INTEREST	TOTAL
2021	CI/CO	2799	1,325.58		79.53	1,405.11
Inst 1						

Please make checks payable to the City of Cohoes

Additional interest accrues monthly.

Taxes unpaid as of 10/15/2021 will be re-levied to Albany County.

Water/Sewer unpaid as of 1/31/2022 will be re-levied onto the 2022 City/County tax bill.

If you have any questions, please call the Treasurer's Office at (518) 233-2111