



## Friday Fast Facts

# Legislation Introduced Aiming to Prohibit Tax Exemptions for Not-for-Profit Properties in Violation of Zoning Laws

March 14, 2025

### Farrell Fritz Long Island Land Use and Zoning Blog

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[Link to the blog post](#)

By **Michael L. Webb** on March 10, 2025

Posted in **Uncategorized**

On March 3, 2025, Senate Bill S584, sponsored by Sen. James Skoufis, was introduced to the NYS Senate during the 2025-26 NYS Legislative Session (the "Bill"). The Bill aims to amend paragraph (b) of subdivision 1 of section 420-a ("420-a") of the New York State Real Property Tax Law (the "RPTL"), and has a stated purpose to "...prohibit properties that are in violation of a local government's zoning laws from receiving a property tax exemption." The Bill should be closely watched by all non-profit organizations that own real property located in New York State.

420-a provides significant monetary relief to non-profit organizations that own real property. This relief is crucial to ensure the continued financial stability and sustainability of these organizations, and thus, their ability to continue to provide critically needed services, programs and assistance to many underrepresented and underserved communities. Presently, 420-a does not contain a prohibition on the basis of zoning.

420-a provides qualifying non-profit property owners in New York State with a complete property tax exemption for real property used exclusively for the following qualifying purposes, "...religious, charitable, hospital, educational, or moral or mental improvement of men, women or children purposes, or for two or more such purposes..." However, to the extent that any portion of the real property is (i) not used exclusively to carry out one or more of the qualifying purposes identified in 420-a, or (ii) is used for for-profit purposes, such portions are subject to taxation, with only the remainder of the real property being tax exempt.

The Bill proposes to take effective immediately yet fails to provide framework or guidance regarding how the prohibition will ultimately be determined and enforced. By its text, the Bill casts a wide net and seeks to capture any real property which "...is being used in violation of applicable zoning laws." However, it does not seem equitable for a prohibition to be put in place prior to (a) the non-profit organization receiving a violation notice from a governmental or municipal authority regarding any defective conditions, and (b) the passage of a reasonable cure period for the non-profit organization to remedy any such violation notice prior to losing the real property tax exemption.

Additionally, the Bill is unclear as to whether the prohibition of the 420-a exemption applies to (i) only the period during which a violation exists, (ii) the then-current tax year during which a violation exists, or (iii) any retroactive and/or future tax periods. The Bill also fails to address whether properties that are "grandfathered" and/or legal and non-conforming are subject to the prohibition. These properties typically do not meet current zoning laws, but are permitted due to an exception or variance, especially if constructed prior to the enactment of the current laws.

If a non-profit organization has outstanding zoning violations, or has received written notice of pending zoning violations, affecting owned real property currently receiving the 420-a exemption, it may be prudent for the organization to proactively address and remedy such issues during the pendency of the Bill. We are closely monitoring the progress of the Bill and how it might impact clients and friends of the firm.



**Abstracts, Incorporated**

100 Garden City Plaza, Suite 201, Garden City, New York 11530

516.683.1000 fax: 516.683.0089

123 Maple Avenue, Riverhead, New York 11901

631.369.0200 fax: 631.369.0199

[www.AbstractsInc.com](http://www.AbstractsInc.com)



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