



NEW YORK STATE SENATOR

Tony Avella

## Senator Avella's Bill Creating New Tax Class for Co-op and Condos Passes Senate

ANDREI VASILESCU June 13, 2016

**Queens, NY** - State Senator Tony Avella's bill (S.893B), which would create a new tax class for cooperatives and condominiums, passed the Senate this week.

The legislation would bring co-ops and condos – a form of middle-class affordable house – in line with other residential properties. Currently, co-ops and condos are classified alongside rental properties, under class-two, ultimately leaving co-op and condo owners with hefty property taxes.

“Co-ops and condo owners deserve a more equitable way to have their property taxes assessed. It is far more appropriate to compare a co-op or condo to similar coops and condos than to residential rental properties, as they currently are. My bill creates a new tax class that addresses this flaw without abandoning the tax levies that bring a substantial amount of revenue to the City. It compares co-ops and condos to comparable properties, and places property tax caps on co-ops and condos that homeowners of one, two and three family homes already benefit from. It is as fair as it is fiscally responsible. I'm proud that my bill has passed the Senate and hope the Assembly will also pass this important legislation,” **said State Senator Tony Avella.**

“Some of the last bastions of affordable housing are co-ops and condos, and it is vital that we ensure there is tax parity between these properties and one, two and three family homes. After hosting a series of co-op and condo roundtables throughout the city to explore solutions to this growing problem, I have been proud to work with Senator Avella to help pass this bill that would create a new class one-a classification for co-op and condo homeowners, who currently pay hefty tax rates akin to residential rental properties and must be protected from huge increases in their tax bills every year. This legislation reforms the co-op and condo tax abatement, eliminating the benefit for luxury properties and enriching it for the working and middle class. It is vital that these properties achieve parity and fairness within the City’s property tax system,” **said State Senator Jeff Klein**.

Assessments of co-ops and condos compare them to ‘comparable’ residential rental properties, a flawed methodology that would be better replaced by comparing co-ops and condos to other one, two and three family homes, or other co-ops and condos.

This bill also reforms the co-op and condo tax abatement to drive an increased benefit to working and middle class co-op and condo owners in a fiscally responsible way by eliminating the benefit for luxury properties. The legislation would apply the current property tax caps associated to class-one properties to co-ops and condos (6% in a year/ 20% over a five-year period).