

The Condominium Assessment Loophole

An Evolving Inequity



The original sort of Condominium



(When Ch. 82 of the Laws of 1964 was enacted (now in RPTL 581, and RPL 339-y))

An example of adaptive re-use into condominium units...



An example of a conversion to condominium units



A more recent example of a single condominium unit...

**Town of Amherst, a full value community
(Forest Creek; 1,896 sq. ft.)**



2003 Sale Price: \$218,000
Condo. Assessment: \$106,600

49% of Market Value

Another recent example of a single condominium unit...



Town of Fallsburg, Sullivan County

Condominium is a form of ownership, not a building style.

- The condominium assessment restrictions result in properties of comparable market value being assessed at very different levels.
- The benefit accruing to condominium owners is increasing over time as market prices have escalated much faster than rents.
- Builders are now increasingly using the condominium form of ownership. Especially with senior and luxury development projects.

T. Of Amherst, Erie County

(A Full Value Community)

Condominium Sale



3 Woodpointe Run

Sale Price:	\$148,000
Sale Date:	1/31/05
'04 Assessment:	\$55,600
2005 Taxes:	\$1,237 (no STAR)

Home Sale



24 Monarch Drive

Sale Price:	\$148,400
Sale Date:	7/1/04
'04 Assessment:	\$150,000
2005 Taxes:	\$4,225 (With Star)

Town of Chautauqua, Chautauqua County

(A Full Value Community)

Condominium Sale



34 Clark Avenue

Sale Price: \$475,000
Sale Date: 5/6/05
'04 Assessment: \$273,700
2006 Taxes: \$5,748

Home Sale



17 Elm Lane

Sale Price: \$479,000
Sale Date: 10/14/04
'04 Assessment: \$470,000
2006 Taxes: \$9,870

Town of Malta, Saratoga County

(A Full Value Community)

Condominium Sale



7 Old Chatham Court

Sale Price: \$190,000
Sale Date: 9/23/05
'05 Assessment: \$96,000
2006 Taxes: \$2,500

Home Sale



125 Raylinski Road

Sale Price: \$190,000
Sale Date: 12/16/05
'05 Assessment: \$168,400
2006 Taxes: \$ 4,386

T. Of Amherst, Erie County

(A Full Value Community)

Condominium Sale



64 Summer Hill Lane

Sale Price: \$350,000
Sale Date: 1/11/05
'04 Assessment: \$174,500
2006 Taxes: \$4,889

Home Sale



22 Wyndrock Lane

Sale Price: \$360,000
Sale Date: 4/29/05
'04 Assessment: \$288,000
2006 Taxes: \$10,953

Principles of Taxation from The Tax Foundation

“The tax system should be as simple as possible.”

“It should be clear ... what is being taxed”

“The tax system should ... minimize distortions of the free market.”

Senate Local Government Committee

Room 904 LOB, Wednesdays @ 9:00 (As of 1/24/2007)

Chairman:	Elizabeth O'C. Little... Clint., Esx., Frank., Ham., War., Wash.
Other Majority Members:	Mary Lou Rath.....Erie, Genesee Ceasar Trunzo.....Suffolk John J. Bonacic.....Delaware, Sullivan, Green, Orange, Ulster Thomas Morahan....Orange, Rockland
Ranking Minority Member:	Jose Serrano..... Bronx, Manhattan
Other Minority Member:	Andrea Stewart-Cousins...Westchester
Staff to the Majority:	Rebecca Marino, Sr. Staff Mary Pat McDonald, Clerk
Staff to the Minority:	Jim Watson, Program Analyst

Senate Local Government Committee



Little



Rath



Trunzo



Bonacic



Morahan



Serrano



Stewart-Cousins

Assembly Real Property Tax Committee

Room 641-A LOB, Tuesdays @ 10:00 (As of 6/30/06)

Chairman: **Sandra Galef, Westchester & Putnam**

Other Majority Members: James F. Brennan, Brooklyn
Joan K. Christensen, Onondaga
Annette Robinson, Brooklyn
Aileen M. Gunther, Sullivan & Orange
Ginny Fields, Suffolk
Diane Gordon, Brooklyn
Naomi Rivera, Bronx

Ranking Minority Member: **Nancy Calhoun, Orange & Rockland**

Other Minority Members: None

Staff to the Majority: Tony Cantore, Counsel
Karen Smeaton, Analyst
Rebecca Southard-Kreiger, Clerk

Staff to the Minority: Michelle Pellegrini, Counsel
Laura Wood, Analyst

Assembly Real Property Tax Committee



Galef



Brennan



Christensen



Robinson



Gunther



Fields



Gordon



Rivera



Calhoun

2006 Legislation to prohibit the use of the condominium
assessment restrictions on new property (after 1/1/07):

S.7029/A.10747 sponsored by

Senator Little/Assemblywoman Galef

S7029 LITTLE

- 03/16/06 REFERRED TO LOCAL GOVERNMENT
- 05/10/06 1ST REPORT CAL.1112
- 05/15/06 2ND REPORT CAL.
- 05/16/06 ADVANCED TO THIRD READING
- 06/23/06 COMMITTED TO RULES

A10747 Galef (MS)

- 04/20/06 referred to real property taxation
- 05/02/06 reported referred to ways and means
- 06/22/06 reported referred to rules

2005 Legislation to remove the condominium assessment
restrictions from certain property of 3 stories or less :

S.2439-a/A.4901-a sponsored by

Senator Little/Assemblyman McLaughlin

S2439-A LITTLE

- 02/15/05 REFERRED TO LOCAL GOVERNMENT
- 03/28/05 AMEND AND RECOMMIT TO LOCAL GOVERNMENT
- 03/28/05 PRINT NUMBER 2439A
- 04/18/05 1ST REPORT CAL.576
- 04/19/05 2ND REPORT CAL.
- 04/20/05 ADVANCED TO THIRD READING
- 06/24/05 COMMITTED TO RULES

A4901-A McLaughlin (MS)

- 02/15/05 referred to real property taxation
- 03/28/05 amend and recommit to real property taxation
- 03/28/05 print number 4901a
- 04/12/05 reported referred to ways and means