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Alert

Real Estate Practice Group

Fiscal Year 2020 NY State Budget - Real Estate Highlights

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APRIL 2019

On March 31, 2019, Governor Andrew M. Cuomo and the State Legislature passed the \$175 billion FY 2020 budget (the "Budget") for the state of New York.

Real estate related highlights from the budget include:

- **Permanent 2% Property Tax Cap:** The inclusion of the permanent 2% property tax cap in the FY 2020 Budget will build upon the approximately \$25 billion in taxpayer savings, or approximately \$3200 per taxpayer, since the cap was enacted in 2012.
- **Progressive Mansion Tax:** To raise resources for the Metropolitan Transportation Authority, the FY 2020 Budget implements a progressive transfer tax with a combined top rate of 4.15% on the sale of residential properties valued at \$25 million or above in New York City. The new rates go into effect on July 1, 2019.
- **Invests \$750 million in Regional Economic Development Councils (REDCs):** In 2011, Governor Cuomo established 10 Regional Economic Development Councils, including in Central New York and the Finger Lakes, to develop long-term regional strategic economic development plans. The Budget includes core capital and tax-credit funding that will be combined with a wide range of existing agency programs for a ninth round of REDC awards totaling \$750 million.
- **Enacts Source of Income Protections to Support Fair Housing:** The Budget amends the New York State Human Rights Law to prohibit discrimination based on lawful source of income statewide to ensure that such lawful income, including non-wage income, income assistance, and vouchers, is not a blanket barrier to housing.
- **Continues the Revitalization of the Great New York State Fairgrounds:** To continue the transformation of the State Fairgrounds, the Budget includes \$5 million in appropriations, an increase of \$2.5 million from FY 2019.
- For all materials related to the FY 2020 Executive Budget, visit: <https://www.budget.ny.gov/pubs/archive/fy20/exec/index.html>

Reminder: Under New York General Business Law Section Section 399-ccc, as of April 1, 2019, any new or replacement smoke detectors in the state have to be powered by a non-removable battery that lasts for at least 10 years, or it must be hardwired to buildings. The law does not require smoke detectors that are already in use to be compliant, just ones that are newly installed or replaced.



Jane Yue Zhang
315.701.6426
jzhang@bhlawpllc.com



Joshua S. Werbeck
315.701.6447
jwerbeck@bhlawpllc.com

Bousquet Holstein PLLC ♦ 110 W. Fayette Street ♦ Syracuse, NY 13202 ♦ 315. 422.1500

WWW.BHLAWPLLC.COM

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