New York State Association of REALTORS®, Inc.

New York State Association of REALTORS®, Inc.
130 Washington Avenue | Albany, NY 12210-2220
P 518.463.0300 | F 518.462.5474
info@nysar.com | www.NYSAR.com

MEMORANDUM IN OPPOSITION

A.3533 by Assemblymember Dana Levenberg
Status: Local Governments Committee

Date: May 2025
Contact: Michael Kelly

Re: Opposition to authorization of taxes to establish Community Preservation Funds

The New York State Association of REALTORS®, Inc. **strongly opposes** the above referenced legislation that would allow cities or towns, except for New York City, to establish community preservation or community housing funds supported by new real estate transfer taxes. This legislation would give localities carte blanche authority to establish these taxes absent state review of any community's proposal.

New York's REALTORS® oppose real estate transfer taxes at all levels of government, regardless of their purpose. These taxes make home-buying less affordable, thus taking away from working families and individuals the many benefits of homeownership. They also make New York State less competitive economically with other states by raising the cost of purchasing real property for both residential and commercial purposes. State and local governments should be considering legislation that promotes tax equity, homeownership, and economic development, rather than further exacerbating the problem by imposing even more real estate taxes.

Importantly, New York is in the midst of a housing supply and affordability crisis, hence the expensive marketplace as supply is not keeping pace with demand. This equates to a sales prices increasing dramatically making it difficult for buyers, particularly first-time homebuyers, to afford a home. This bill would remove the ability of state lawmakers to weigh in on the imposition of taxes within their districts. This could expedite the approval of new taxes by local governments that would undermine housing affordability by allowing communities to impose new transfer taxes of up to 2.5 percent on the buyer of a home.

NYSAR does not oppose the creation of community preservation funds and community housing funds. We oppose the increase in taxation on the transfer of real property to be used as a dedicated revenue stream for these funds. Furthermore, NYSAR is supportive of providing financial assistance to first-time homebuyers, as this bill aims to do. However, this bill would authorize the creation of transfer taxes without exempting buyers of properties sold at the median sales price or lower, as prior legislation has done. These new taxes would substantially increase the cost of purchasing a home. For example, a buyer purchasing a home for $350,000, would incur an additional $8,750 in transfer taxes to be paid at closing, should a city or town impose both taxes at the maximum rate authorized in this bill.

Jacqlene Rose President | **Ron Garafalo** President-Elect | **Dan Staley** Treasurer | **Joe Rivellino** Immediate Past President | **Duncan R. MacKenzie** Chief Executive Officer

New York State Association of REALTORS®, Inc.

New York State Association of REALTORS®, Inc.
130 Washington Avenue | Albany, NY 12210-2220
P 518.463.0300 | F 518.462.5474
info@nysar.com | www.NYSAR.com

New York already has some of the highest closing costs in the country. It makes no sense to create a workaround for the State's oversight of local transfer taxes, that could substantially increase closing costs and make home purchasing less affordable.

For the above stated reasons, the New York State Association of REALTORS®, Inc. **strongly urges disapproval of A.3533(Levenberg).**

The New York State Association of REALTORS® is a not-for-profit trade organization representing more than 61,000 of New York State's real estate professionals. The term REALTOR® is a registered trademark, which identifies real estate professionals who subscribe to a strict code of ethics as members of the National Association of REALTORS®. These REALTORS® are also members of the New York State Association of REALTORS® as well as their local board or association of REALTORS®.

Jacqlene Rose President | **Ron Garafalo** President-Elect | **Dan Staley** Treasurer | **Joe Rivellino** Immediate Past President | **Duncan R. MacKenzie** Chief Executive Officer