

MONROE COUNTY SUPREME COURT GRANTS RPTL § 420-A NON-PROFIT PROPERTY TAX EXEMPTION

Hodgson Russ secured a victory for the Trustees of the Masonic Hall and Asylum Fund (the “Masonic Hall”), in litigation challenging the Town of Henrietta’s denial of a Real Property Tax Law Section 420-a real property tax exemption. This provision establishes a two-prong test, that the property be owned by a non-profit entity and used for non-profit purposes. On the second prong, state law allows the exemption for vacant land where there are concrete plans for a future use, even if the construction has not yet started. The Town’s denial focused on this second prong.

Monroe County Supreme Court granted the Masonic Hall’s Petition because the evidence demonstrated that the Masonic Hall had legitimate plans for a future senior living and fraternal complex, had spent substantial sums in furtherance of the project, and had applied for (and eventually received) the required zoning approvals. The Court rejected the Town’s arguments that the property was revenue-producing and that insufficient efforts had been made to satisfy the legal requirements. In addition to granting the exemption, the Court granted full refunds of property taxes with statutory interest, and, notably, granted costs and disbursements against the Town.

A copy of the decision is available [here](#). The key takeaway from this case is the importance of building a record through Board minutes, budget, correspondence, applications, and contracts demonstrating the future use is a legitimate goal, particularly if it takes years of planning and fundraising before a project is in use.

If you have any questions on real property tax exemptions or other real property tax issues, contact Daniel Spitzer, Henry Zomerfeld, or Michael Risman in our [Tax Assessment Practice](#).

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