

Bond Case Briefs

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International Student Exchange, Inc. v. Assessors Office of Town of Islip

Supreme Court, Appellate Division, Second Department, New York - July 15, 2020 - N.Y.S.3d - 185 A.D.3d 815 - 2020 WL 3980650 - 2020 N.Y. Slip Op. 03911

Nonprofit public benefit corporation brought an article 78 proceeding to annul determination of town board of assessment review that denied nonprofit's application for property tax exemption.

The Supreme Court granted petition, annulled board's determination, and directed town's assessor's office, board, and town to grant nonprofit a full property tax exemption for tax year. Defendants appealed.

The Supreme Court, Appellate Division held that:

- Nonprofit was organized exclusively for a tax exempt purpose, but
- Issue of fact existed as to whether nonprofit used its property exclusively for exempt educational purpose.

Nonprofit public benefit corporation that facilitated student exchange was organized exclusively for a tax exempt purpose for purposes of Real Property Tax Law, where nonprofit's Articles of Incorporation stated that it was not organized for the private gain of any single person, and even if the nonprofit benefited economically from its programs or from the rental of the property, its filed financial documents set forth that the benefit inured to the organization, not to its officers or employees personally.

Issue of fact existed as to whether nonprofit benefit corporation that facilitated exchange students used its property exclusively for exempt educational purpose, thus requiring that matter be remitted to trial court for determination of whether nonprofit was entitled to full or partial property tax exemption, on appeal from trial court's determination that nonprofit was entitled to full property tax exemption; no evidence indicated what portion of the building was actually used in furtherance of educational purpose, and nonprofit indicated on its application that it intended to lease portion of property.