

# Long Island BusinessNEWS

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## **Group home challenges Nassau property taxes**

by HEATHER FLETCHER

GLEN COVE - As a not-for-profit organization, Bethpage-based Family Residences and Essential Enterprises says it shouldn't pay property taxes on its Glen Cove home for people with mental challenges and developmental disabilities. But because the group incorporated under a holding company in order to gain federal funds, Nassau charges it about \$7,000 a year in property taxes.

FREE, which isn't charged property taxes for two homes in Suffolk that are incorporated in the same way, is now girding for a court battle with the Nassau County Assessor's Office over the matter.

Both sides have until Aug. 2 to file their positions with Justice Edward W. McCarty of the Nassau County Supreme Court.

Carl Laske, counsel to the county assessors board, said the assessor's office has received similar complaints from other group homes claiming they should be tax exempt, but this is the only court case he is aware of regarding the issue. He added the county is reviewing those cases.

Loretta Gastwirth, partner at Meltzer, Lippe, Goldstein and Breitstone of Mineola, which is representing Homes Anew II, the holding company for the home at 30 Craft Ave. in Glen Cove, said the firm was created so that the company could bring in additional funding from U.S. Department of Housing and Urban Development. Court records show HUD granted FREE \$312,062 for the charity's supportive housing program in Nassau.

Elizabeth Botwin, chief deputy county attorney, sees it differently.

Because FREE set up a separate corporation for the home, Homes Anew II "does not have any charitable purpose," she said.

The real property tax law, which both parties point to for proof, requires entities to be organized for a charitable purpose, Botwin said. But the birth of Homes Anew II happened as a way to own real estate, she said.

Botwin didn't close the door on the county reversing its stance, though she stopped well short of saying that it would.

The story is much different in Suffolk County, where FREE's Home Anew I owns property in Coram and Southold. Those locations were granted tax-exempt status by the towns of Brookhaven and Southold.

Nassau County and the Suffolk towns are basing their rulings on the same state law.

Scott A. Russell, an assessor in Southold and a former president of the Suffolk County Assessors Association, said "if they're interpreting this application differently than me, I don't know what their basis is."

HUD Spokesman Adam Glantz said his organization has no role in Nassau's ruling or the pending court case.