

Lead Stories

After further review, home is tax exempt

by JEREMY HARRELL

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Glen Cove NFP gets its way, skirting a \$7000 property tax bill

GLEN COVE - Someone's Nassau County property tax bill is about to get a lot smaller.

A not-for-profit last week succeeded in convincing the county to exempt a group home in Glen Cove from Nassau's property tax rolls.

"We've agreed they're entitled to an exemption," said Elizabeth Botwin, the county's chief deputy attorney.

Earlier this year Nassau County and the Family Residences and Essential Enterprises were poised to square off in court over a \$7,000 annual property tax bill for Homes Anew II in Glen Cove. The home provides an alternative to institutionalization for the mentally and developmentally disabled and is part of FREE's service to 2,000 clients on Long Island.

To gain federal grants, FREE formed a holding company that bought the Glen Cove home and leased it back to FREE. The organization has since secured more than \$300,000 from the U.S. Department of Housing and Urban Development.

Yet Nassau had contended that because FREE set up the holding company to buy real estate, the organization couldn't claim a charitable purpose for the property and obtain a property-tax exemption. Meanwhile, FREE operates two homes in Suffolk County using similar arrangements, and Suffolk doesn't assess property taxes on the not-for-profit agency.

Botwin said the settlement between Nassau and FREE came about after county attorneys affirmed a new incorporation certificate reflecting the group's charitable purpose.

FREE's attorney, Loretta Gastwirth, a partner with Meltzer, Lippe, Goldstein & Breitstone in Mineola, said the not-for-profit worked harder than it should have to acquire its property-tax exemption. In 2003, for instance, Nassau's Industrial Development Agency issued a bond recognizing the Glen Cove home as a tax-exempt entity.

The settlement, which is still being finalized, will provide a retroactive exemption for Homes Anew II.

"Ultimately, I think they did the right thing," Gastwirth said of the county.