STATE OF NEW YORK

6796

2017-2018 Regular Sessions

IN SENATE

June 18, 2017

Introduced by COMMITTEE ON RULES -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the general municipal law, the public authorities law and the tax law, in relation to certain recording taxes

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Subdivision 1 of section 874 of the general municipal law, as amended by chapter 394 of the laws of 2016, is amended to read as follows:

(1) It is hereby determined that the creation of the agency and the carrying out of its corporate purposes is in all respects for the benefit of the people of the state of New York and is a public purpose, and the agency shall be regarded as performing a governmental function in the exercise of the powers conferred upon it by this title and shall be required to pay no taxes or assessments upon any of the property acquired by it or under its jurisdiction or control or supervision or upon its activities. Provided, however, if the agency is located within a transportation district referenced in paragraph (a) of subdivision two of section two hundred fifty-three of the tax law, it shall not be exempt from the additional tax on each mortgage of real property situated within the state imposed by such paragraph*; provided, further, that, notwithstanding the foregoing, the agency shall be exempt from any taxes on the execution and/or recordation of a mortgage of real property situated within the state within a transportation district referenced in paragraph (a) of subdivision two of section two hundred fifty-three of the tax law that secures an obligation to make payments in lieu of taxes where the primary purpose of recording the mortgage is for such mortgage to act as the priority of a real property tax lien*.

§ 2. Subdivision 1 of section 1963 of the public authorities law, as amended by chapter 394 of the laws of 2016, is amended to read as follows:

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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1. It is hereby determined that the creation of the authority and the carrying out of its corporate purposes is in all respects for the benefit of the people of the city and its environs, and is a public purpose, and the authority shall be regarded as performing a governmental function in the exercise of the powers conferred upon it by this title and shall be required to pay no taxes or assessments upon any of the property acquired by it or under its jurisdiction or control or supervision or upon its activities. Provided, however, if the authority is located within a transportation district referenced in paragraph (a) of subdivision two of section two hundred fifty-three of the tax law, it shall not be exempt from the additional tax on each mortgage of real property situated within the state imposed by such paragraph**; provided, further, that, notwithstanding the foregoing, the authority shall be exempt from the additional tax imposed by paragraph (a) of subdivision two of section two hundred fifty-three of the tax law on the execution and/or recordation of a mortgage of real property situated within the state within a transportation district referenced in paragraph (a) of subdivision two of section two hundred fifty-three of the tax law that secures an obligation to make payments in lieu of taxes where the primary purpose of recording the mortgage is for such mortgage to act as the priority of a real property tax lien**.

§ 3. Subdivision 1 of section 2326 of the public authorities law, as amended by chapter 394 of the laws of 2016, is amended to read as follows:

1. It is hereby determined that the creation of the authority and the carrying out of its corporate purposes is in all respects for the benefit of the people of the city and its environs, and is a public purpose, and the authority shall be regarded as performing a governmental function in the exercise of the powers conferred upon it by this title and shall be required to pay no taxes or assessments upon any of the property acquired by it or under its jurisdiction or control or supervision or upon its activities. Provided, however, if the authority is located within a transportation district referenced in paragraph (a) of subdivision two of section two hundred fifty-three of the tax law, it shall not be exempt from the additional tax on each mortgage of real property situated within the state imposed by such paragraph**; provided, further, that, notwithstanding the foregoing, the authority shall be exempt from the additional tax imposed by paragraph (a) of subdivision two of section two hundred fifty-three of the tax law on the execution and/or recordation of a mortgage of real property situated within the state within a transportation district referenced in paragraph (a) of subdivision two of section two hundred fifty-three of the tax law that secures an obligation to make payments in lieu of taxes where the primary purpose of recording the mortgage is for such mortgage to act as the priority of a real property tax lien**.

§ 4. Subdivision 2 of section 252 of the tax law, as added by chapter 394 of the laws of 2016, is amended to read as follows:

(2) Notwithstanding article eighteen-A of the general municipal law and titles eleven and fifteen of article eight of the public authorities law, **but except as set forth in this subdivision,** no mortgage of real property situated within the state in counties located within the metropolitan commuter transportation district, the Niagara Frontier transportation district, the Rochester-Genesee transportation district, the capital district transportation district, and the central New York regional transportation district executed, given, made, or transferred or assigned by or to an agency created under article eighteen-A of the

general municipal law, an authority created under title eleven or fifteen of article eight of the public authorities law, an agent or agent of such agent of such agency or authority, a project operator receiving financial assistance from such agency or authority, a project occupant of such agency or authority, or an owner of a project receiving financial assistance from such agency or authority shall be exempt from the additional tax imposed by paragraph (a) of subdivision two of section two hundred fifty-three of this article**, except when the execution and/or recordation of a mortgage of real property situated within the state within a transportation district referenced in paragraph (a) of subdivision two of section two hundred fifty-three of the tax law that secures an obligation to make payments in lieu of taxes where the primary purpose of recording the mortgage is for such mortgage to act as the priority of a real property tax lien**. For the purposes of this subdivision the term "financial assistance" shall have the same meaning as defined in section eight hundred fifty-four of the general municipal law.

§ 5. Paragraph (a) of subdivision 2 of section 253 of the tax law, as amended by chapter 394 of the laws of 2016, is amended to read as follows:

(a) In addition to the taxes imposed by subdivisions one and one-a of this section, there shall be imposed on each mortgage of real property situated within the state recorded on or after the first day of July, nineteen hundred sixty-nine, an additional tax of twenty-five cents for counties outside of the metropolitan commuter transportation district, as defined pursuant to section twelve hundred sixty-two of the public authorities law, and thirty cents for counties within such metropolitan commuter transportation district for each one hundred dollars and each remaining major fraction thereof of principal debt or obligation which is, or under any contingency may be secured at the date of execution thereof or at any time thereafter by such mortgage, saving and excepting the first ten thousand dollars of such principal debt or obligation in any case in which the related mortgage is of real property principally improved or to be improved by a one or two family residence or dwelling. All the provisions of this article shall apply with respect to the additional tax imposed by this subdivision to the same extent as if it were imposed by the said subdivision one of this section, except as otherwise expressly provided in this article. Notwithstanding article eighteen-A of the general municipal law and titles eleven and fifteen of article eight of the public authorities law, **but except as set forth in this paragraph,** no mortgage of real property situated within the state in counties located within the metropolitan commuter transportation district, the Niagara Frontier transportation district, the Rochester-Genesee transportation district, the capital district transportation district, and the central New York regional transportation district executed, given, made, or transferred or assigned by or to an agency created under article eighteen-A of the general municipal law, an authority created under title eleven or fifteen of article eight of the public authorities law, an agent or agent of such agent of such agency or authority, a project operator receiving financial assistance from such agency or authority, a project occupant of such agency or authority, or an owner of a project receiving financial assistance from such agency or authority shall be exempt from the additional tax imposed by this subdivision**, except when the execution and/or recordation of a mortgage of real property situated within the state within a transportation district referenced in paragraph (a) of subdivision two of section**

two hundred fifty-three of tax law that secures an obligation to make payments in lieu of taxes where the primary purpose of recording the mortgage is for such mortgage to act as the priority of a real property tax lien. For the purposes of this [~~subdivision~~] **paragraph** the term "financial assistance" shall have the same meaning as defined in section eight hundred fifty-four of the general municipal law. The imposition of this additional tax on mortgages recorded in a county outside the city of New York, other than one of the counties from time to time comprising the metropolitan commuter transportation district, the Niagara Frontier transportation district, the Rochester-Genesee transportation district, the capital district transportation district or the central New York regional transportation district may be suspended for a specified period of time or without limitation as to time by a local law, ordinance or resolution duly adopted by the local legislative body of such county.

§ 6. This act shall take effect on the same date and in the same manner as chapter 394 of the laws of 2016, takes effect.