S T A T E O F N E W Y O R K

8157

I N S E N A T E

June 14, 2010

Introduced by Sen. ESPADA -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the real property tax law, in relation to tax exemptions for new multiple dwellings

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. The opening paragraph of item (A) of subparagraph (iv) of paragraph (a) of subdivision 2 of section 421-a of the real property tax law, as amended by chapter 618 of the laws of 2007, is amended to read as follows:

Unless excluded by local law, in the city of New York, the benefits of this subparagraph shall be available in the borough of Manhattan for new multiple dwellings on tax lots now existing or hereafter created south of or adjacent to either side of one hundred tenth street [which] THAT commence construction after July first, nineteen hundred ninety-two and before December twenty-eighth, two thousand [ten] FOURTEEN only if:

S 2. Subparagraph (ii) of paragraph (c) of subdivision 2 of section 421-a of the real property tax law, as amended by chapter 618 of the laws of 2007, is amended to read as follows:

(ii) construction is commenced after January first, nineteen hundred seventy-five and before December twenty-eighth, two thousand [ten] FOURTEEN provided, however, that such commencement period shall not apply to multiple dwellings eligible for benefits under subparagraph (iv) of paragraph (a) of this subdivision;

S 3. Paragraph (g) of subdivision 2 of section 421-a of the real property tax law, as amended by chapter 995 of the laws of 1981, is amended to read as follows:

(g) [For] NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN ANY OTHER STATE OR LOCAL LAW, FOR purposes of this section, construction shall be deemed "commenced" [when excavation or alteration has begun in good faith on the basis of approved construction plans] UPON THE DATE THAT, PURSUANT TO ANY PERMIT APPROVED BY A DEPARTMENT OF BUILDINGS, (I) A NEW METAL OR CONCRETE STRUCTURE THAT SHALL PERFORM A LOAD BEARING FUNCTION IS INSTALLED AS PART OF A FOUNDATION, (II) AT LEAST ONE FULLY

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

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DRIVEN PILE OR CAISSON IS INSTALLED, OR (III) THE ACTUAL CONSTRUCTION, ALTERATION, OR IMPROVEMENT OF A PRE-EXISTING BUILDING OR STRUCTURE BEGINS IN A PROJECT THAT INCLUDES NEW RESIDENTIAL CONSTRUCTION AND THE CONCURRENT CONVERSION, ALTERATION OR IMPROVEMENT OF A PRE-EXISTING BUILDING OR STRUCTURE. PROVIDED, HOWEVER, THAT WITH RESPECT TO SUBPARAGRAPHS (I), (II) AND (III) OF THIS PARAGRAPH, THE CONSTRUCTION OF SUCH MULTIPLE DWELLING IS COMPLETED WITHOUT UNDUE DELAY.

S 4. The opening paragraph and paragraph (iv) of subdivision 3 of section 421-a of the real property tax law, the opening paragraph as amended by chapter 655 of the laws of 1978 and paragraph (iv) as amended by chapter 703 of the laws of 1976, are amended to read as follows:

[Application forms for exemption under this section shall be filed with the assessors between February first and March fifteenth and, based on the certification of the local housing agency as herein provided, the assessors shall certify to the collecting officer the amount of taxes to be abated.] If there be in a city of one million population or more a department of housing preservation and development, the term "housing agency" shall mean only such department of housing preservation and development. [No such application shall be accepted by the assessors unless accompanied by a certificate of the local housing agency certifying the applicant's eligibility pursuant to subdivisions two and four of this section.] No [such] certification of eligibility FOR BENEFITS PURSUANT TO THIS SECTION shall be issued by the local housing agency until such agency determines the initial adjusted monthly rent to be paid by tenants residing in rental dwelling units contained within the multiple dwelling and the comparative adjusted monthly rent that would have to be paid by such tenants if no tax exemption were applicable as provided by this section. The initial adjusted monthly rent will be certified by the local housing agency as the first rent for the subject dwelling units. A copy of such certification with respect to such units shall be attached by the applicant to the first effective lease or occupancy agreement. The initial adjusted monthly rent shall reflect the full tax exemption benefits as approved by the agency.

(iv) The adjusted monthly rent per room per month shall be multiplied by the room count of each rental dwelling unit to provide the initial adjusted monthly rent for such dwelling unit. The agency may allow adjustments in the initial adjusted monthly rent for any particular dwelling units provided that the total of the initial adjusted monthly rents for all of the rental dwelling units in a multiple dwelling shall not exceed the total expenses of such multiple dwelling.

The agency shall determine the estimated comparative adjusted monthly rent that would have to be paid if no tax exemption were applicable as provided by this section by adding to the adjusted monthly rent for each dwelling unit as hereinabove computed an amount equal to (a) the difference between the projected real property taxes which would be levied on the multiple dwelling and the land on which it is situated at the time OF estimated initial occupancy if no tax abatement were applicable as provided by this section and the projected real property taxes hereinabove utilized in connection with the computation of total expenses; (b) divided by the room count of the building as per this section; and (c) multiplied by the applicants approved room count of each such dwelling unit.

The local housing agency may promulgate rules and regulations to carry out the provisions of this section, not inconsistent with the provisions hereof, [and may require a reasonable filing fee in an amount provided by such rules and regulations] INCLUDING, BUT NOT LIMITED TO, RULES AND

REGULATIONS RELATING TO THE FILING FEE AUTHORIZED PURSUANT TO PARAGRAPH B OF SUBDIVISION FOUR OF THIS SECTION.

S 5. Paragraph b of subdivision 4 of section 421-a of the real property tax law, as added by chapter 744 of the laws of 2004, is amended to read as follows:

b. The local housing agency [may] SHALL require a filing fee not to exceed the greater of (i) four-tenths of one percent of the total project cost, or (ii) if the building will be owned as a cooperative or condominium, four-tenths of one percent of the total project cost or four-tenths of one percent of the total project sell-out price stated in the last amendment to the offering plan accepted for filing by the attorney general of the state, at the option of the applicant. Such total project cost or total project sell-out price shall be determined pursuant to rules promulgated by the local housing agency. Notwithstanding the foregoing, the local housing agency may promulgate rules imposing an additional fee if an application, or any part thereof, or submission in connection therewith, is defective and such defect delays the processing of such application or causes the local housing agency to expend additional resources in the processing of such application.

S 6. Subparagraph (i) of paragraph (a) of subdivision 6 of section 421-a of the real property tax law, as added by chapter 110 of the laws of 2005, is amended to read as follows:

(i) "Covered project." (A) A new building located within the Greenpoint - Williamsburg waterfront exclusion area, (B) two or more buildings which are part of one contiguous development entirely located within the Greenpoint - Williamsburg waterfront exclusion area, (C) two or more buildings which are located within the Greenpoint - Williamsburg waterfront exclusion area and are part of a single development parcel specifically identified in section [62-831] 62-931 of the local zoning resolution, or (D) where so authorized in writing by the local housing agency, one or more buildings located within the Greenpoint - Williamsburg waterfront exclusion area and one or more buildings located outside the Greenpoint - Williamsburg waterfront exclusion area but within Community District Number One in the borough of Brooklyn. The cumulative number of affordable units located outside the Greenpoint - Williamsburg waterfront exclusion area in all covered projects described in clause (D) of this subparagraph shall not exceed two hundred. A building located outside the Greenpoint - Williamsburg waterfront exclusion area which is part of a covered project described in clause (D) of this subparagraph shall not contain any affordable units with respect to which an application pending before a governmental entity on the effective date of this subdivision or a written agreement in effect on the effective date of this subdivision provided for the development of such affordable units.

S 7. This act shall take effect immediately.