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

8438

I N S E N A T E

July 10, 2010

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 real property tax law, in relation to tax exemptions for new multiple dwellings; and to amend chapter 576 of the laws of 1974 amending the emergency housing rent control law relating to the control of and stabilization of rent in certain cases, the emergency housing rent control law, chapter 329 of the laws of 1963 amending the emergency housing rent control law relating to recontrol of rents in Albany, chapter 555 of the laws of 1982 amending the general business law and the administrative code of the city of New York relating to conversion of residential property to cooperative or condominium ownership in the city of New York, chapter 402 of the laws of 1983 amending the general business law relating to conversions of rental residential property to cooperative or condominium ownership in certain municipalities in the counties of Nassau, Westchester and Rockland and the rent regulation reform act of 1997, in relation to extending the period of effectiveness thereof

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

Section 1. Paragraph c of subdivision 1 of section 421-a of the real property tax law, as amended by chapter 447 of the laws of 2003, is amended to read as follows:

c. "Multiple Dwelling." A dwelling which is to be occupied or is occupied as the residence or home of three or more families living independently of one another, whether such dwelling is rented or owned as a cooperative or condominium. A new multiple dwelling shall include new residential construction and the concurrent conversion, alteration or improvement of a pre-existing building or structure provided that (i) for all tax lots now existing or hereafter created, no more than forty-nine percent of the floor area (as defined in paragraph b of this subdivision) of the multiple dwelling consists of the pre-existing building or structure that was converted, altered or improved, and (ii) for tax lots in the city of New York now existing or hereafter created within the following area in the borough of Manhattan, the new residential

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

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construction and/or the concurrent conversion, alteration or improvement of the pre-existing building or structure is aided by a grant, loan or subsidy from any federal, state or local agency or instrumentality: beginning at the intersection of the United States pierhead line in the Hudson river and the center line of Chambers street extended, thence easterly to the center line of Chambers street and continuing along the center line of Chambers street to the center line of Centre street, thence southerly along the center line of Centre street to the center line of the Brooklyn Bridge to the intersection of the Brooklyn Bridge and the United States pierhead line in the East river, thence northerly along the United States pierhead line in the East river and the center line of one hundred tenth street extended, thence westerly to the center line of one hundred tenth street and continuing along the center line of one hundred tenth street to its westerly terminus, thence westerly to the intersection of the center line of one hundred tenth street extended and the United States pierhead line in the Hudson river, thence southerly along the United States pierhead line in the Hudson river to the point of beginning. A CONVERTED MULTIPLE DWELLING SHALL INCLUDE THE CONVERSION OF ALL OR PART OF AND THE CONCURRENT PHYSICAL ADDITION (IF APPLICABLE) TO ANY PRE-EXISTING BUILDING OR STRUCTURE THAT IS NOT A CLASS A MULTIPLE DWELLING TO A CLASS A MULTIPLE DWELLING, PROVIDED THAT, FOR ALL TAX LOTS NOW EXISTING OR HEREAFTER CREATED, (I) AT LEAST SEVENTY-FIVE PERCENT OF THE TOTAL AREA OF THE ORIGINAL PERIMETER WALLS MUST REMAIN IN PLACE AS PERIMETER WALLS IN THE BUILDING, OR (II) AT LEAST FIFTY PERCENT OF THE ORIGINAL FLOOR AREA OF THE BUILDING MUST REMAIN IN PLACE AS FLOOR AREA, AND FURTHER PROVIDED THAT CONSTRUCTION OF SUCH CONVERTED MULTIPLE DWELLING COMMENCES ON OR AFTER THE EFFECTIVE DATE OF THE CHAPTER OF THE LAWS OF TWO THOUSAND TEN WHICH AMENDED THIS PARAGRAPH. WHEREVER THIS SECTION REFERS TO A MULTIPLE DWELLING OR MULTIPLE DWELLINGS IT SHALL BE TAKEN TO MEAN BOTH NEW MULTIPLE DWELLINGS AND CONVERTED MULTIPLE DWELLINGS, AS DEFINED IN THIS PARAGRAPH.

S 2. Subparagraph (i) of paragraph (a) of subdivision 2 of section 421-a of the real property tax law, as amended by chapter 288 of the laws of 1985, is amended to read as follows:

(i) Within a city having a population of one million or more, new multiple dwellings AND CONVERTED MULTIPLE DWELLINGS, except hotels, shall be exempt from taxation for local purposes, other than assessments for local improvements, for the tax year or years immediately following taxable status dates occurring subsequent to the commencement and prior to the completion of construction, but not to exceed three such tax years, EXCEPT FOR NEW MULTIPLE DWELLINGS THE CONSTRUCTION OF WHICH COMMENCED BETWEEN JANUARY FIRST, TWO THOUSAND SEVEN AND JUNE THIRTIETH, TWO THOUSAND NINE WHICH SHALL BE EXEMPT FROM TAXATION FOR LOCAL PURPOSES, OTHER THAN ASSESSMENTS FOR LOCAL IMPROVEMENTS, FOR THE TAX YEAR OR YEARS IMMEDIATELY FOLLOWING TAXABLE STATUS DATES OCCURRING SUBSEQUENT TO THE COMMENCEMENT AND PRIOR TO THE COMPLETION OF CONSTRUCTION, BUT NOT TO EXCEED SIX SUCH TAX YEARS, and shall continue to be exempt from such taxation in tax years immediately following the taxable status date first occurring after the expiration of the exemption herein conferred during construction so long as used at the completion of construction for dwelling purposes for a period not to exceed ten years in the aggregate after the taxable status date immediately following the completion thereof, as follows:

(A) except as otherwise provided herein there shall be full exemption from taxation during the period of construction or the period of three years immediately following commencement of construction, whichever

expires sooner, EXCEPT FOR NEW MULTIPLE DWELLINGS THE CONSTRUCTION OF WHICH COMMENCED BETWEEN JANUARY FIRST, TWO THOUSAND SEVEN AND JUNE THIRTIETH, TWO THOUSAND NINE WHICH SHALL BE ELIGIBLE FOR FULL EXEMPTION FROM TAXATION DURING THE PERIOD OF CONSTRUCTION OR THE PERIOD OF SIX YEARS IMMEDIATELY FOLLOWING COMMENCEMENT OF CONSTRUCTION, WHICHEVER EXPIRES SOONER, and for two years following such period;

(B) followed by two years of exemption from eighty per cent of such taxation;

(C) followed by two years of exemption from sixty per cent of such taxation;

(D) followed by two years of exemption from forty per cent of such taxation;

(E) followed by two years of exemption from twenty per cent of such taxation;

The following table shall illustrate the computation of the tax exemption:

CONSTRUCTION OF CERTAIN MULTIPLE DWELLINGS

	Exemption
During Construction (maximum three years, EXCEPT FOR CONSTRUCTION COMMENCEMENT BETWEEN JANUARY FIRST, TWO THOUSAND SEVEN AND JUNE THIRTIETH, TWO THOUSAND NINE WHICH HAS A MAXIMUM OF SIX YEARS)	100%
Following completion of work Year:	
1	100%
2	100
3	80
4	80
5	60
6	60
7	40
8	40
9	20
10	20

S 3. Clause (A) of subparagraph (ii) of paragraph (a) of subdivision 2 of section 421-a of the real property tax law, as amended by chapter 288 of the laws of 1985, is amended to read as follows:

(A) Within a city having a population of one million or more the local housing agency may adopt rules and regulations providing that except in areas excluded by local law new multiple dwellings AND CONVERTED MULTIPLE DWELLINGS, except hotels, shall be exempt from taxation for local purposes, other than assessments for local improvements, for the tax year or years immediately following taxable status dates occurring subsequent to the commencement and prior to the completion of construction, but not to exceed three such tax years, EXCEPT FOR NEW MULTIPLE DWELLINGS THE CONSTRUCTION OF WHICH COMMENCED BETWEEN JANUARY FIRST, TWO THOUSAND SEVEN AND JUNE THIRTIETH, TWO THOUSAND NINE WHICH SHALL BE EXEMPT FROM TAXATION FOR LOCAL PURPOSES, OTHER THAN ASSESSMENTS FOR LOCAL IMPROVEMENTS, FOR THE TAX YEAR OR YEARS IMMEDIATELY FOLLOWING TAXABLE STATUS DATES OCCURRING SUBSEQUENT TO THE COMMENCEMENT AND PRIOR

TO THE COMPLETION OF CONSTRUCTION, BUT NOT TO EXCEED SIX SUCH TAX YEARS, and shall continue to be exempt from such taxation in tax years immediately following the taxable status date first occurring after the expiration of the exemption herein conferred during such construction so long as used at the completion of construction for dwelling purposes for a period not to exceed fifteen years in the aggregate, as follows:

a. except as otherwise provided herein there shall be full exemption from taxation during the period of construction or the period of three years immediately following commencement of construction, whichever expires sooner, EXCEPT FOR NEW MULTIPLE DWELLINGS THE CONSTRUCTION OF WHICH COMMENCED BETWEEN JANUARY FIRST, TWO THOUSAND SEVEN AND JUNE THIRTIETH, TWO THOUSAND NINE WHICH SHALL BE ELIGIBLE FOR FULL EXEMPTION FROM TAXATION DURING THE PERIOD OF CONSTRUCTION OR THE PERIOD OF SIX YEARS IMMEDIATELY FOLLOWING COMMENCEMENT OF CONSTRUCTION, WHICHEVER EXPIRES SOONER, and for eleven years following such period;

b. followed by one year of exemption from eighty percent of such taxation;

c. followed by one year of exemption from sixty percent of such taxation;

d. followed by one year of exemption from forty percent of such taxation;

e. followed by one year of exemption from twenty percent of such taxation.

S 4. Clause (C) of subparagraph (ii) of paragraph (a) of subdivision 2 of section 421-a of the real property tax law, as amended by chapter 288 of the laws of 1985, is amended to read as follows:

(C) 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 tax lots now existing or hereafter created south of or adjacent to either side of one hundred tenth street only if:

a. FOR NEW MULTIPLE DWELLINGS:

(I) the construction is carried out with the substantial assistance of grants, loans or subsidies from any federal, state or local agency or instrumentality, or

[b.] (II) the local housing agency has imposed a requirement or has certified that twenty percent of the units be affordable to families of low and moderate income.

B. FOR CONVERTED MULTIPLE DWELLINGS:

(I) THE CONSTRUCTION IS CARRIED OUT WITH THE SUBSTANTIAL ASSISTANCE OF GRANTS, LOANS OR SUBSIDIES FROM ANY FEDERAL, STATE OR LOCAL AGENCY OR INSTRUMENTALITY, OR

(II) THE LOCAL HOUSING AGENCY HAS IMPOSED A REQUIREMENT OR HAS CERTIFIED THAT TWENTY PERCENT OF THE UNITS BE AFFORDABLE TO FAMILIES WHOSE INCOMES ARE NOT IN EXCESS OR ONE HUNDRED PERCENT OF AREA MEDIAN INCOME.

The following table shall illustrate the computation of the exemption:

CONSTRUCTION OF CERTAIN MULTIPLE DWELLINGS

	Exemption
During Construction (maximum three years, EXCEPT FOR CONSTRUCTION COMMENCEMENT BETWEEN JANUARY FIRST, TWO THOUSAND SEVEN AND JUNE THIRTIETH, TWO THOUSAND NINE WHICH HAS A MAXIMUM OF SIX YEARS)	100%

Following completion of work Year:	
1 through 11	100%

4 12 80

5 13 60

6 14 40

S 5. Clause (A) of subparagraph (iii) of paragraph (a) of subdivision 2 of section 421-a of the real property tax law, as amended by chapter 702 of the laws of 1992, is amended to read as follows:

(A) Within a city having a population of one million or more the local housing agency may adopt rules and regulations providing that new multiple dwellings AND CONVERTED MULTIPLE DWELLINGS, except hotels, shall be exempt from taxation for local purposes, other than assessments for local improvements, for the tax year or years immediately following taxable status dates occurring subsequent to the commencement and prior to the completion of construction, but not to exceed three such tax years, EXCEPT FOR NEW MULTIPLE DWELLINGS THE CONSTRUCTION OF WHICH COMMENCED BETWEEN JANUARY FIRST, TWO THOUSAND SEVEN AND JUNE THIRTIETH, TWO THOUSAND NINE WHICH SHALL BE EXEMPT FROM TAXATION FOR LOCAL PURPOSES, OTHER THAN ASSESSMENTS FOR LOCAL IMPROVEMENTS, FOR THE TAX YEAR OR YEARS IMMEDIATELY FOLLOWING TAXABLE STATUS DATES OCCURRING SUBSEQUENT TO THE COMMENCEMENT AND PRIOR TO THE COMPLETION OF CONSTRUCTION, BUT NOT TO EXCEED SIX SUCH TAX YEARS, and shall continue to be exempt from such taxation in tax years immediately following the taxable status date first occurring after the expiration of the exemption herein conferred during such construction so long as used at the completion of construction for dwelling purposes for a period not to exceed twenty-five years in the aggregate, provided that the area in which the project is situated is a neighborhood preservation program area as determined by the local housing agency as of June first, nineteen hundred eighty-five, or is a neighborhood preservation area as determined by the New York city planning commission as of June first, nineteen hundred eighty-five, or is an area that was eligible for mortgage insurance provided by the rehabilitation mortgage insurance corporation as of May first, nineteen hundred ninety-two or is an area receiving funding for a neighborhood preservation project pursuant to the neighborhood reinvestment corporation act (42 U.S.C. SS180 et seq.) as of June first, nineteen hundred eighty-five, as follows:

a. except as otherwise provided herein there shall be full exemption from taxation during the period of construction or the period of three years immediately following commencement of construction, whichever expires sooner, EXCEPT FOR NEW MULTIPLE DWELLINGS THE CONSTRUCTION OF WHICH COMMENCED BETWEEN JANUARY FIRST, TWO THOUSAND SEVEN AND JUNE THIRTIETH, TWO THOUSAND NINE WHICH SHALL BE ELIGIBLE FOR FULL EXEMPTION FROM TAXATION DURING THE PERIOD OF CONSTRUCTION OR THE PERIOD OF SIX YEARS IMMEDIATELY FOLLOWING COMMENCEMENT OF CONSTRUCTION, WHICHEVER EXPIRES SOONER, and for twenty-one years following such period;

b. followed by one year of exemption from eighty percent of such taxation;

c. followed by one year of exemption from sixty percent of such taxation;

d. followed by one year of exemption from forty percent of such taxation;

e. followed by one year of exemption from twenty percent of such taxation.

S 6. Clause (D) of subparagraph (iii) of paragraph (a) of subdivision 2 of section 421-a of the real property tax law, as amended by chapter 288 of the laws of 1985, is amended to read as follows:

(D) In addition to being available in the areas described in [item] CLAUSE (A) of this subparagraph, the benefits made available pursuant to this subparagraph shall be available where:

a. FOR NEW MULTIPLE DWELLINGS:

(I) the construction is carried out with the substantial assistance of grants, loans or subsidies from any federal, state or local agency or instrumentality, or

[b.] (II) the local housing agency has imposed a requirement or has certified that twenty percent of the units be affordable to families of low and moderate income.

B. FOR CONVERTED MULTIPLE DWELLINGS:

(I) THE CONSTRUCTION IS CARRIED OUT WITH THE SUBSTANTIAL ASSISTANCE OF GRANTS, LOANS OR SUBSIDIES FROM ANY FEDERAL, STATE OR LOCAL AGENCY OR INSTRUMENTALITY, OR

(II) THE LOCAL HOUSING AGENCY HAS IMPOSED A REQUIREMENT OR HAS CERTIFIED THAT TWENTY PERCENT OF THE UNITS BE AFFORDABLE TO FAMILIES WHOSE INCOMES ARE NOT IN EXCESS OR ONE HUNDRED PERCENT OF AREA MEDIAN INCOME.

The following table shall illustrate the computation of the exemption:

CONSTRUCTION OF CERTAIN
MULTIPLE DWELLINGS

	Exemption
During Construction (maximum three years, EXCEPT FOR CONSTRUCTION COMMENCEMENT BETWEEN JANUARY FIRST, TWO THOUSAND SEVEN AND JUNE THIRTIETH, TWO THOUSAND NINE WHICH HAS A MAXIMUM OF SIX YEARS)	100%
Following completion of work Year:	
1 through 21	100%
22	80
23	60
224	40
25	20

S 7. Clause (E) of subparagraph (iii) of paragraph (a) of subdivision 2 of section 421-a of the real property tax law, as added by chapter 618 of the laws of 2007, is amended to read as follows:

(E) A new multiple dwelling OR A CONVERTED MULTIPLE DWELLING that is situated in (1) a neighborhood preservation program area as determined by the department of housing preservation and development as of June first, nineteen hundred eighty-five, (2) a neighborhood preservation area as determined by the New York city planning commission as of June first, nineteen hundred eighty-five, (3) an area that was eligible for mortgage insurance provided by the rehabilitation mortgage insurance corporation as of May first, nineteen hundred ninety-two, or (4) an area receiving funding for a neighborhood preservation project pursuant to the neighborhood reinvestment corporation act (42 U.S.C. SS 8101 et

seq.) as of June first, nineteen hundred eighty-five, shall not be eligible for the benefits available pursuant to this subparagraph unless it complies with the provisions of subdivision seven of this section.

S 8. Subparagraph (iv) of paragraph (a) of subdivision 2 of section 421-a of the real property tax law, as added by chapter 832 of the laws of 1992, item (A) as amended by chapter 432 of the laws of 1998, the opening paragraph of item (A) as amended by chapter 618 of the laws of 2007, is amended to read as follows:

(iv) (A) 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 OR CONVERTED MULTIPLE DWELLINGS on tax lots now existing or hereafter created south of or adjacent to either side of one hundred tenth street which commence construction after July first, nineteen hundred ninety-two and before December twenty-eighth, two thousand ten only if:

a. FOR NEW MULTIPLE DWELLINGS:

(I) the construction is carried out with the substantial assistance of grants, loans or subsidies from any federal, state or local agency or instrumentality, or

[b.] (II) the local housing agency has imposed a requirement or has certified that twenty percent of the units are affordable to families of low and moderate income.

B. FOR CONVERTED MULTIPLE DWELLINGS:

(I) THE CONSTRUCTION IS CARRIED OUT WITH THE SUBSTANTIAL ASSISTANCE OF GRANTS, LOANS OR SUBSIDIES FROM ANY FEDERAL, STATE OR LOCAL AGENCY OR INSTRUMENTALITY, OR

(II) THE LOCAL HOUSING AGENCY HAS IMPOSED A REQUIREMENT OR HAS CERTIFIED THAT TWENTY PERCENT OF THE UNITS BE AFFORDABLE TO FAMILIES WHOSE INCOMES ARE NOT IN EXCESS OR ONE HUNDRED PERCENT OF AREA MEDIAN INCOME.

(B) Such new multiple dwellings AND CONVERTED MULTIPLE DWELLINGS, except hotels, shall be exempt from taxation for local purposes, other than assessments for local improvements for the tax year or years immediately following taxable status dates occurring subsequent to the commencement and prior to the completion of construction, but not to exceed three such tax years, EXCEPT FOR NEW MULTIPLE DWELLINGS THE CONSTRUCTION OF WHICH COMMENCED BETWEEN JANUARY FIRST, TWO THOUSAND SEVEN AND JUNE THIRTIETH, TWO THOUSAND NINE WHICH SHALL BE EXEMPT FROM TAXATION FOR LOCAL PURPOSES, OTHER THAN ASSESSMENTS FOR LOCAL IMPROVEMENTS, FOR THE TAX YEAR OR YEARS IMMEDIATELY FOLLOWING TAXABLE STATUS DATES OCCURRING SUBSEQUENT TO THE COMMENCEMENT AND PRIOR TO THE COMPLETION OF CONSTRUCTION, BUT NOT TO EXCEED SIX SUCH TAX YEARS, and shall continue to be exempt from such taxation in tax years immediately following the taxable status dates first occurring after the expiration of the exemption herein conferred during such construction so long as used at the completion of construction for dwelling purposes for a period not to exceed twenty years in the aggregate, as follows:

a. except as otherwise provided herein, there shall be full exemption from taxation during the period of construction or the period of three years immediately following commencement of construction, whichever expires sooner, EXCEPT FOR NEW MULTIPLE DWELLINGS THE CONSTRUCTION OF WHICH COMMENCED BETWEEN JANUARY FIRST, TWO THOUSAND SEVEN AND JUNE THIRTIETH, TWO THOUSAND NINE WHICH SHALL BE ELIGIBLE FOR FULL EXEMPTION FROM TAXATION DURING THE PERIOD OF CONSTRUCTION OR THE PERIOD OF SIX YEARS IMMEDIATELY FOLLOWING COMMENCEMENT OF CONSTRUCTION, WHICHEVER EXPIRES SOONER, and for twelve years following such period;

b. followed by two years of exemption from eighty percent of such taxation;

c. followed by two years of exemption from sixty percent of such taxation;

d. followed by two years of exemption from forty percent of such taxation;

e. followed by two years of exemption from twenty percent of such taxation.

The following table shall illustrate the computation of the exemption:

CONSTRUCTION OF CERTAIN
MULTIPLE DWELLINGS

During construction (maximum three years, EXCEPT FOR CONSTRUCTION COMMENCEMENT BETWEEN JANUARY FIRST, TWO THOUSAND SEVEN AND JUNE THIRTIETH, TWO THOUSAND NINE WHICH HAS A MAXIMUM OF SIX YEARS)	Exemption 100%
Following completion of work year:	
1 through 12	100%
13-14	80%
15-16	60%
17-18	40%
19-20	20%

S 9. Paragraph (b) of subdivision 2 of section 421-a of the real property tax law, as amended by chapter 401 of the laws of 1983, is amended to read as follows:

(b) In addition to the taxes payable pursuant to the table above, the owner shall pay in each tax year in which such full or partial exemption is in effect, real property taxes and assessments as follows:

(i) (A) FOR NEW MULTIPLE DWELLINGS, real property taxes on the assessed valuation of such land and any improvements thereon in effect during the tax year preceding the commencement of such construction without regard to any exemption or abatement from real property taxation in effect prior to such construction which real property taxes shall be calculated on the tax rate in effect at the time such taxes are due; and (B) FOR CONVERTED MULTIPLE DWELLINGS, REAL PROPERTY TAXES ON THE ASSESSED VALUATION OF SUCH LAND IN EFFECT DURING THE TAX YEAR PRECEDING THE COMMENCEMENT OF SUCH CONSTRUCTION WITHOUT REGARD TO ANY EXEMPTION OR ABATEMENT FROM REAL PROPERTY TAXATION IN EFFECT AT THE TIME SUCH TAXES ARE DUE; AND

(ii) all assessments for local improvements.

S 10. Paragraph (d) of subdivision 2 of section 421-a of the real property tax law, as amended by chapter 692 of the laws of 1995, is amended to read as follows:

(d) As of July first, nineteen hundred seventy-five, if the aggregate floor area of commercial, community facility and accessory use space exceeds twelve per cent of the aggregate floor area, as defined herein, of any building granted tax exemption pursuant to this section on or subsequent to July first, nineteen hundred seventy-one, tax exemption shall be reduced by an amount equal to the per cent of the aggregate floor area by which the aggregate floor area of commercial, community facility and accessory use space exceeds twelve per cent of the aggregate floor area of the building provided, however, that accessory use space shall not include accessory parking located not more than twenty-

three feet above the curb level and provided, further, that whenever a building containing two or more separately assessed parcels of real property has commercial, community facility and accessory use space in excess of such twelve percent, the tax arising out of the reduction in exemption for such excess space shall not be apportioned pro rata among all of the separately assessed parcels in the building but shall be applied first to those separately assessed parcels which are unrelated to the residential use of the building; and only after such unrelated parcels are fully taxable shall the remainder of such tax be apportioned pro rata among the remaining separately assessed parcels and provided further, that no such exemption for commercial, community facility and accessory use space shall be applicable prior to July first, nineteen hundred seventy-five. To be eligible for exemption under this section [such] THE construction OF A NEW MULTIPLE DWELLING shall take place on land which, thirty-six months prior to the commencement of such construction, was vacant, predominantly vacant, under-utilized, or improved with a non-conforming use, provided that if such new multiple dwelling displaces or replaces a building or buildings containing more than twenty-five occupied dwelling units in existence on December thirty-first, nineteen hundred seventy-four and administered under the local emergency housing rent control act, the rent stabilization law of nineteen hundred sixty-nine, or the emergency tenant protection act of nineteen seventy-four, such new multiple dwelling shall not be eligible in the city of New York unless a certificate of eviction has been issued for any of the displaced or replaced units pursuant to the powers granted by the city rent and rehabilitation law, and that the sale, transfer or utilization of air rights over residential buildings that were not demolished shall not be construed as a displacement or replacement of the dwelling units contained within those buildings within the meaning of this subdivision. THE LAND UPON WHICH TAKES PLACE THE CONSTRUCTION OF A CONVERTED MULTIPLE DWELLING SHALL BE DEEMED UNDER-UTILIZED THIRTY-SIX MONTHS PRIOR TO THE COMMENCEMENT OF SUCH CONSTRUCTION AND SHALL NOT BE SUBJECT TO ANY SITE REQUIREMENTS NOW EXISTING OR HEREAFTER CREATED BY ANY LOCAL LAW OR ANY RULE OR REGULATION PROMULGATED BY THE LOCAL HOUSING AGENCY.

S 11. 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 purposes of this section construction shall be deemed "commenced" when excavation or alteration has begun in good faith on the basis of approved [construction] ARCHITECTURAL AND STRUCTURAL plans.

S 12. Subdivision 2 of section 421-a of the real property tax law is amended by adding a new paragraph (j) to read as follows:

(J) SUBDIVISION (C) OF SECTION 11-245 OF THE ADMINISTRATIVE CODE OF THE CITY OF NEW YORK SHALL NOT BE APPLICABLE TO ANY MULTIPLE DWELLING FOR WHICH CONSTRUCTION COMMENCED ON OR AFTER OCTOBER FIRST, NINETEEN HUNDRED NINETY-THREE. THE PROVISIONS OF THIS PARAGRAPH SHALL BE DEEMED RETROACTIVE TO AND IN EFFECT AS OF DECEMBER THIRTIETH, TWO THOUSAND SEVEN.

S 13. Subparagraph (a) of paragraph (ii) of subdivision 3 of section 421-a of the real property tax law, as amended by chapter 857 of the laws of 1975, such section as renumbered by chapter 110 of the laws of 1977, is amended to read as follows:

(a) The amount that the agency determines to be the reasonable annual costs for the continuing maintenance and operation of the multiple dwelling in accordance with subdivision four of this section. IF THE

MULTIPLE DWELLING AND/OR LAND ON WHICH IT IS SITUATED IS BEING DEVELOPED PURSUANT TO A GROUND LEASE OR NET LEASE, THE REASONABLE ANNUAL COSTS FOR THE CONTINUING MAINTENANCE AND OPERATION OF THE MULTIPLE DWELLING SHALL INCLUDE THE AVERAGE ANNUAL GROUND RENT PAYABLE OVER THE DURATION OF BENEFITS PURSUANT TO THIS SECTION;

S 14. Subdivision 7 of section 421-a of the real property tax law, as added by chapter 618 of the laws of 2007, subparagraph (i) of paragraph (a), subparagraphs (i) and (ii) of paragraph (d) as amended by chapter 619 of the laws of 2007, and paragraphs (b), (c) and (e) as amended by chapter 15 of the laws of 2008, is amended to read as follows:

7. (a) For the purposes of this subdivision:

(i) "affordable units" shall mean units which meet the affordability requirements set forth in paragraph (c) of this subdivision.

(ii) "geographic exclusion areas" shall mean:

(A) areas described in subdivision eleven of this section,

(B) in the borough of Manhattan tax lots now existing or hereafter created south of or adjacent to either side of one hundred tenth street, and

(C) areas made ineligible for the benefits of this section:

(1) as set forth in section 11-245 OTHER THAN THOSE AREAS SET FORTH IN SUBDIVISION (C) OF SECTION 11-245 of the administrative code of the city of New York on the effective date of this subdivision, notwithstanding any exceptions to ineligibility contained in such local law for certain types of projects in such areas,

(2) as set forth in local law number fifty-eight of the city of New York for the year two thousand six, notwithstanding any exceptions to ineligibility contained in such local law for certain types of projects in such areas and notwithstanding the effective date of such law, and

(3) by local law after the effective date of this subdivision.

(b) Notwithstanding any provision of this section or any local law to the contrary, the benefits of this section shall not be available for new multiple dwellings AND CONVERTED MULTIPLE DWELLINGS located in a geographic exclusion area which commence construction after December twenty-eighth, two thousand seven unless they comply with the provisions of this subdivision for thirty-five years from completion of construction of the building receiving benefits pursuant to this section.

(c)(i) Not less than twenty percent of the units in [the] A NEW multiple dwelling must, upon the initial rental or sale of the units and upon all subsequent rentals of the units after a vacancy, be affordable to and occupied or available for occupancy by individuals or families whose incomes at the time of initial occupancy do not exceed sixty percent of the area median incomes adjusted for family size or (ii) if the construction of such building is carried out with substantial assistance of grants, loans or subsidies from any federal, state or local agency or instrumentality and such assistance is provided pursuant to a program for the development of affordable housing, not less than twenty percent of the units in the multiple dwelling must, either (A) upon the initial rental of the units and upon all subsequent rentals of the units after a vacancy, be affordable to and occupied or available for occupancy by individuals or families whose incomes at the time of initial occupancy do not exceed one hundred twenty percent of the area median incomes adjusted for family size and, where the multiple dwelling contains more than twenty-five units, do not exceed an average of ninety percent of the area median incomes adjusted for family size, or (B) upon the initial sale of the units, be affordable to and occupied or available

for occupancy by individuals or families whose incomes at the time of initial occupancy do not exceed one hundred twenty-five percent of the area median incomes adjusted for family size.

(d) (I) NOT LESS THAN TWENTY PERCENT OF THE UNITS IN A CONVERTED MULTIPLE DWELLING MUST, UPON THE INITIAL RENTAL OR SALE OF THE UNITS AND UPON ALL SUBSEQUENT RENTALS OF THE UNITS AFTER A VACANCY, BE AFFORDABLE TO AND OCCUPIED OR AVAILABLE FOR OCCUPANCY BY INDIVIDUALS OR FAMILIES WHOSE INCOMES AT THE TIME OF INITIAL OCCUPANCY DO NOT EXCEED ONE HUNDRED PERCENT OF THE AREA MEDIAN INCOMES ADJUSTED FOR FAMILY SIZE OR (II) IF THE CONSTRUCTION OF SUCH BUILDING IS CARRIED OUT WITH SUBSTANTIAL ASSISTANCE OF GRANTS, LOANS OR SUBSIDIES FROM ANY FEDERAL, STATE OR LOCAL AGENCY OR INSTRUMENTALITY, SUCH ASSISTANCE MUST BE PROVIDED PURSUANT TO A PROGRAM FOR THE DEVELOPMENT OF AFFORDABLE HOUSING.

(E) Unless preempted by federal requirements:

(i) all affordable units must have a comparable number of bedrooms as market rate units and a unit mix proportional to the market rate units, or at least fifty percent of the affordable units must have two or more bedrooms and no more than fifty percent of the remaining units can be smaller than one bedroom or in addition to the requirements of paragraph (c) of this subdivision, the floor area of affordable units is no less than twenty percent of the total floor area of all dwelling units; and

(ii) residents of the community board where the multiple dwelling which receives the benefits provided in this section is located shall, upon initial occupancy, have priority for the purchase or rental of fifty percent of the affordable units.

[(e)] (F) Notwithstanding any provision of law to the contrary, affordable rental units must remain as rent stabilized units for thirty-five years from completion of construction provided that tenants holding a lease and in occupancy at the expiration of the rent stabilization period shall have the right to remain as rent stabilized tenants for the duration of their occupancy.

[(f)] (G) All affordable units must be situated onsite. For the purposes of this section, "onsite" shall mean that affordable units shall be situated within the building or buildings for which benefits pursuant to this section are being granted.

[(g)] (H) The limitations on eligibility for benefits contained in this subdivision shall be in addition to those contained in this section and in any other law or regulation.

S 15. Paragraph (e) of subdivision 8 of section 421-a of the real property tax law, as amended by chapter 619 of the laws of 2007, is amended to read as follows:

(e) Solely for purposes of paragraph (b) of this subdivision, construction shall be deemed to have commenced when excavation or alteration has begun in good faith on the basis of approved [construction] ARCHITECTURAL AND STRUCTURAL plans.

S 16. Section 421-a of the real property tax law is amended by adding a new subdivision 16 to read as follows:

16. (A) WITHIN A CITY HAVING A POPULATION OF ONE MILLION OR MORE, NEW MULTIPLE DWELLINGS WHICH, ON JULY FIRST, TWO THOUSAND TEN, WERE EXEMPT, IN WHOLE OR IN PART, FROM TAXATION FOR LOCAL PURPOSES, OTHER THAN ASSESSMENTS FOR LOCAL IMPROVEMENTS, PURSUANT TO SUBPARAGRAPH (III) OR (IV) OF PARAGRAPH (A) OF SUBDIVISION TWO OF THIS SECTION SHALL BE EXEMPT FROM TAXATION FOR LOCAL PURPOSES, FOR THE TAX YEAR COMMENCING SUBSEQUENT TO THE ISSUANCE OF THE CERTIFICATE BY THE LOCAL HOUSING AGENCY UNDER PARAGRAPH (C) OF THIS SUBDIVISION.

(B) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (A) OF THIS SUBDIVISION, A MULTIPLE DWELLING RECEIVING AN EXEMPTION PURSUANT TO THIS SUBDIVISION, SHALL BE REQUIRED TO PAY TAXES IN AN AMOUNT EQUAL TO TWELVE PERCENT OF THE ANNUAL "SHELTER RENT". FOR PURPOSES OF THIS SUBDIVISION, "SHELTER RENT" SHALL MEAN THE TOTAL RENTS RECEIVED FROM OCCUPANTS OF A MULTIPLE DWELLING LESS THE COST OF PROVIDING TO THE OCCUPANTS ELECTRICITY, GAS, HEAT AND OTHER UTILITIES.

(C) TO BE ELIGIBLE FOR THE EXEMPTION PURSUANT TO THIS SUBDIVISION:

(I) THE OWNER OF A MULTIPLE DWELLING MUST FILE WITH THE LOCAL HOUSING AGENCY AN APPLICATION AT LEAST ONE YEAR PRIOR TO THE EXPIRATION OF THE TAX EXEMPTION RECEIVED BY SUCH MULTIPLE DWELLING PURSUANT TO SUBDIVISION TWO OF THIS SECTION. SUCH APPLICATION SHALL BE ON FORMS AS SPECIFIED BY THE LOCAL HOUSING AGENCY PROVIDED THAT THE LOCAL HOUSING AGENCY SHALL NOT ACCEPT ANY APPLICATION FILED AFTER DECEMBER TWENTY-EIGHTH, TWO THOUSAND THIRTEEN. THE LOCAL HOUSING AGENCY SHALL CERTIFY THE ELIGIBILITY OF SUCH MULTIPLE DWELLING FOR THE EXEMPTION PURSUANT TO PARAGRAPH (A) OF THIS SUBDIVISION AND SUCH EXEMPTION SHALL BE EFFECTIVE COMMENCING IN THE TAX YEAR: (A) SET FORTH IN THE APPLICATION FOR SUCH MULTIPLE DWELLING WHOSE PHASE-IN OF THE PARTIAL TAX EXEMPTION PURSUANT TO SUBDIVISION TWO OF THIS SECTION HAD COMMENCED PRIOR TO THE DATE OF FILING OF SUCH APPLICATION, AND (B) IMMEDIATELY FOLLOWING (I) THE SECOND FULL YEAR OF PHASE-IN OF THE PARTIAL TAX EXEMPTION PURSUANT TO SUBPARAGRAPH (III) OF PARAGRAPH (A) OF SUBDIVISION TWO OF THIS SECTION OR (II) THE FOURTH FULL YEAR OF PHASE-IN OF THE PARTIAL TAX EXEMPTION PURSUANT TO SUBPARAGRAPH (IV) OF PARAGRAPH (A) OF SUBDIVISION TWO OF THIS SECTION, FOR SUCH MULTIPLE DWELLINGS WHOSE PHASE-IN OF THE PARTIAL TAX EXEMPTION PURSUANT TO SUBDIVISION TWO OF THIS SECTION HAD NOT COMMENCED PRIOR TO THE DATE OF FILING OF THE APPLICATION; AND

(II) THE LOCAL HOUSING AGENCY HAS IMPOSED A REQUIREMENT OR HAS CERTIFIED THAT TWENTY PERCENT OF THE UNITS IN SUCH MULTIPLE DWELLING ARE AFFORDABLE TO FAMILIES OF LOW AND MODERATE INCOME, WHICH AFFORDABILITY REQUIREMENT SHALL REMAIN IN EFFECT FOR SO LONG AS SUCH MULTIPLE DWELLING IS RECEIVING AN EXEMPTION PURSUANT TO PARAGRAPH (A) OF THIS SUBDIVISION.

UPON COMMENCEMENT OF THE EXEMPTION PURSUANT TO THIS SUBDIVISION, THE PARTIAL TAX EXEMPTION UNDER SUBPARAGRAPH (III) OR (IV) OF PARAGRAPH (A) OF SUBDIVISION TWO OF THIS SECTION SHALL TERMINATE.

(D) NOTWITHSTANDING THE PROVISIONS OF ANY LOCAL LAW FOR THE STABILIZATION OF RENTS IN MULTIPLE DWELLINGS OR THE EMERGENCY TENANT PROTECTION ACT OF NINETEEN SEVENTY-FOUR, THE RENTS OF A UNIT SHALL BE FULLY SUBJECT TO CONTROL UNDER SUCH LOCAL LAW OR SUCH ACT FOR THE ENTIRE PERIOD DURING WHICH THE PROPERTY IS RECEIVING TAX EXEMPTION PURSUANT TO THIS SUBDIVISION. UPON CONVERSION OF A MULTIPLE DWELLING TO COOPERATIVE OR CONDOMINIUM OWNERSHIP, THE EXEMPTION PROVIDED IN THIS SUBDIVISION SHALL TERMINATE.

(E) AS USED IN THIS PARAGRAPH, THE TERMS "BUILDING SERVICE EMPLOYEE" AND "PREVAILING WAGE" SHALL HAVE THE MEANINGS SET FORTH IN SUBDIVISION EIGHT OF THIS SECTION.

(F) NO BENEFITS UNDER THIS SUBDIVISION SHALL BE CONFERRED TO ANY MULTIPLE DWELLING CONTAINING MORE THAN FIFTY DWELLING UNITS EXCEPT WHERE THE APPLICANT AGREES THAT ALL BUILDING SERVICE EMPLOYEES EMPLOYED AT THE BUILDING, WHETHER EMPLOYED DIRECTLY BY THE APPLICANT OR ITS SUCCESSORS, OR THROUGH A PROPERTY MANAGEMENT COMPANY OR A CONTRACTOR, SHALL RECEIVE THE APPLICABLE PREVAILING WAGE FOR THE DURATION OF THE MULTIPLE DWELLING'S TAX EXEMPTION.

(G) THE LIMITATIONS CONTAINED IN PARAGRAPH (F) OF THIS SUBDIVISION SHALL NOT BE APPLICABLE TO BUILDINGS WHERE THE LOCAL HOUSING AGENCY

CERTIFIES THAT AT INITIAL OCCUPANCY AT LEAST FIFTY PERCENT OF THE DWELLING UNITS ARE AFFORDABLE TO INDIVIDUALS OR FAMILIES WITH A GROSS HOUSEHOLD INCOME AT OR BELOW ONE HUNDRED TWENTY-FIVE PERCENT OF THE AREA MEDIAN INCOME.

(H) THE LOCAL HOUSING AGENCY SHALL PRESCRIBE APPROPRIATE SANCTIONS FOR FAILURE TO COMPLY WITH THE PROVISIONS OF PARAGRAPH (F) OF THIS SUBDIVISION.

(I) THE LIMITATIONS ON ELIGIBILITY FOR BENEFITS CONTAINED IN THE PROVISIONS OF PARAGRAPH (F) OF THIS SUBDIVISION SHALL BE IN ADDITION TO THOSE CONTAINED IN ANY OTHER LAW OR REGULATION.

S 17. Paragraph (i) of subdivision 2 of section 421-a of the real property tax law, as amended by chapter 619 of the laws of 2007, is amended to read as follows:

(i) Authority of city to enact local law. Except as otherwise specified in this section, a city to which this section is applicable may enact a local law to restrict, limit or condition the eligibility, scope or amount of the benefits under this section in any manner provided that such local law may not grant benefits beyond those provided in this section and provided further that in the city of New York such local law shall not take effect sooner than one year after it is enacted. Notwithstanding the foregoing, the provisions of any local law shall not alter the effect of subdivisions twelve, thirteen, fourteen, [and] , fifteen AND SIXTEEN of this section as they apply on the effective date of such subdivisions, notwithstanding any subsequent amendments to the provisions of law referred to in such subdivisions.

S 18. Section 17 of chapter 576 of the laws of 1974, amending the emergency housing rent control law relating to the control of and stabilization of rent in certain cases, as amended by chapter 82 of the laws of 2003, is amended to read as follows:

S 17. Effective date. This act shall take effect immediately and shall remain in full force and effect until and including the fifteenth day of June [2011] 2019; except that sections two and three shall take effect with respect to any city having a population of one million or more and section one shall take effect with respect to any other city, or any town or village whenever the local legislative body of a city, town or village determines the existence of a public emergency pursuant to section three of the emergency tenant protection act of nineteen seventy-four, as enacted by section four of this act, and provided that the housing accommodations subject on the effective date of this act to stabilization pursuant to the New York city rent stabilization law of nineteen hundred sixty-nine shall remain subject to such law upon the expiration of this act.

S 19. Subdivision 2 of section 1 of chapter 274 of the laws of 1946, constituting the emergency housing rent control law, as amended by chapter 82 of the laws of 2003, is amended to read as follows:

2. The provisions of this act, and all regulations, orders and requirements thereunder shall remain in full force and effect until and including June 15, [2011] 2019.

S 20. Section 2 of chapter 329 of the laws of 1963, amending the emergency housing rent control law relating to recontrol of rents in Albany, as amended by chapter 82 of the laws of 2003, is amended to read as follows:

S 2. This act shall take effect immediately and the provisions of subdivision 6 of section 12 of the emergency housing rent control law, as added by this act, shall remain in full force and effect until and including June 15, [2011] 2019.

S 21. Section 10 of chapter 555 of the laws of 1982, amending the general business law and the administrative code of the city of New York relating to conversion of residential property to cooperative or condominium ownership in the city of New York, as amended by chapter 82 of the laws of 2003, is amended to read as follows:

S 10. This act shall take effect immediately; provided, that the provisions of sections one, two and nine of this act shall remain in full force and effect only until and including June 15, [2011] 2019; provided further that the provisions of section three of this act shall remain in full force and effect only so long as the public emergency requiring the regulation and control of residential rents and evictions continues as provided in subdivision 3 of section 1 of the local emergency housing rent control act; provided further that the provisions of sections four, five, six and seven of this act shall expire in accordance with the provisions of section 26-520 of the administrative code of the city of New York as such section of the administrative code is, from time to time, amended; provided further that the provisions of section 26-511 of the administrative code of the city of New York, as amended by this act, which the New York City Department of Housing Preservation and Development must find are contained in the code of the real estate industry stabilization association of such city in order to approve it, shall be deemed contained therein as of the effective date of this act; and provided further that any plan accepted for filing by the department of law on or before the effective date of this act shall continue to be governed by the provisions of section 352-eeee of the general business law as they had existed immediately prior to the effective date of this act.

S 22. Section 4 of chapter 402 of the laws of 1983, amending the general business law relating to conversions of rental residential property to cooperative or condominium ownership in certain municipalities in the counties of Nassau, Westchester and Rockland, as amended by chapter 82 of the laws of 2003, is amended to read as follows:

S 4. This act shall take effect immediately; provided, that the provisions of sections one and three of this act shall remain in full force and effect only until and including June 15, [2011] 2019; and provided further that any plan accepted for filing by the department of law on or before the effective date of this act shall continue to be governed by the provisions of section 352-eee of the general business law as they had existed immediately prior to the effective date of this act.

S 23. Subdivision 6 of section 46 of chapter 116 of the laws of 1997, constituting the rent regulation reform act of 1997, as amended by chapter 82 of the laws of 2003, is amended to read as follows:

6. sections twenty-eight, twenty-eight-a, twenty-eight-b and twenty-eight-c of this act shall expire and be deemed repealed after June 15, [2011] 2019;

S 24. This act shall take effect immediately.