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

4499

2009-2010 Regular Sessions

I N A S S E M B L Y

February 4, 2009

Introduced by M. of A. BRODSKY -- read once and referred to the Committee on Housing

AN ACT to amend the private housing finance law, in relation to contracts for exemption from local and municipal taxes for redevelopment companies

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

Section 1. Paragraph (a) of subdivision 1 of section 125 of the private housing finance law, as amended by chapter 566 of the laws of 1993, is amended to read as follows:

(a) The local legislative body of any municipality in which a project of such company is or is to be located may by contract agree with any redevelopment company to exempt from local and municipal taxes, other than assessments for local improvements, all or part of the value of the property included in such project which represents an increase over the assessed valuation of the real property, both land and improvements, acquired for the project at the time of its acquisition by the redevelopment company which originally undertook the project and for such definite period of years as such contract may provide, except that where the real property in a project was acquired for purposes of rehabilitation, the local legislative body either may utilize the foregoing formula or may agree to exempt from such taxes all or part of the value of the property included in such project on condition that the amount of such taxes to be paid shall not be less than ten per centum of the annual shelter rent or carrying charges of such rehabilitation project. The tax exemption shall not operate for a period of more than twenty-five years, commencing in each instance from the date on which the benefits of such exemption first become available and effective; provided, however, that with respect to a project either acquired by a mutual redevelopment company pursuant to section one hundred twenty-six OF THIS ARTICLE or owned and continuing to be owned by a mutual redevelopment company which

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

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would require substantial increases in carrying charges after the period of tax exemption is ended unless relief is provided, the local legislative body may contract with such mutual redevelopment company to extend such tax exemption for not more than twenty-five additional years at a rate of tax exemption not to exceed an average of fifty per centum during such additional period, provided that the tax exemption during the first two years of such additional period shall continue at the rate of the tax exemption of such project immediately preceding the termination of the initial twenty-five year period and that the tax exemption thereafter shall be decreased in equal biennial decrements, the first of which shall occur immediately following such two year period, and provided that such contract shall contain provisions as to income limitations relating to admission and continued occupancy of the project and provisions as to rental surcharges to the same effect as are contained in subdivisions two, three, four and five of section thirty-one OF THIS CHAPTER, except that in the case of projects owned and continuing to be owned by mutual redevelopment companies, persons or families whose probable aggregate annual income does not exceed the median income for families of the same size in the same metropolitan area shall also be eligible for admission to the project on the understanding that any person or family becoming eligible by reason hereof whose probable aggregate annual income at the time of admission or during the period of occupancy exceeds, the greater of (i) the median income for such persons or families for the metropolitan statistical area in which the project is located, or if a project is located outside a metropolitan statistical area, the median income for such persons or families for the county in which the project is located, as most recently determined by the United States department of housing and urban development, in which case any person or family becoming eligible for admission pursuant to this subparagraph shall pay, from the time of admission, a rental surcharge as provided for in subdivision three of section thirty-one of this chapter, computed on the basis of the income limitations applicable to such persons or families in the absence of this subparagraph, or (ii) six times the rental shall be liable for payment of rental surcharges hereunder computed on the basis of such ratio, except that in the case of families with three or more dependents such ratio shall be seven to one; and provided further that with respect to a project which is or is to be permanently financed by a federally-aided mortgage, the tax exemption shall operate for so long as such mortgage is outstanding, but in no event for a period of more than forty years, commencing in each instance from the date on which the benefits of such exemption first become available and effective; and provided further that with respect to a project which is or is to be permanently financed by a loan from the New York city housing development corporation, the tax exemption shall operate for so long as such loan is outstanding; AND PROVIDED THAT WITH RESPECT TO A PROJECT WHICH IS OR IS TO BE PERMANENTLY FINANCED BY A LOAN FROM THE NEW YORK STATE HOUSING FINANCE AGENCY, THE TAX EXEMPTION MAY, WITH THE APPROVAL OF THE LOCAL LEGISLATIVE BODY, OPERATE FOR SO LONG AS SUCH LOAN IS OUTSTANDING.

S 2. This act shall take effect immediately.