

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

3846--A

2011-2012 Regular Sessions

I N S E N A T E

March 7, 2011

Introduced by Sens. SERRANO, KRUEGER -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government -- recommitted to the Committee on Local Government in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the real property tax law, in relation to creating tax abatements for certain commercial properties located within the Second Avenue subway project

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

Section 1. Article 4 of the real property tax law is amended by adding a new title 3-A to read as follows:

TITLE 3-A

TAX ABATEMENT FOR CERTAIN COMMERCIAL
PROPERTIES LOCATED WITHIN THE SECOND AVENUE SUBWAY PROJECT
SECTION 497. DEFINITIONS.

497-A. REAL PROPERTY TAX ABATEMENT.

497-B. ELIGIBILITY REQUIREMENTS.

497-C. APPLICATION FOR CERTIFICATE OF ABATEMENT.

497-D. ENFORCEMENT AND ADMINISTRATION.

497-E. REPORTING REQUIREMENTS; REVOCATION OF ABATEMENTS.

497-F. TAX LIEN; INTEREST AND PENALTY.

497-G. CONFIDENTIALITY.

S 497. DEFINITIONS. WHEN USED IN THIS TITLE, THE FOLLOWING TERMS SHALL MEAN OR INCLUDE:

1. "ABATEMENT BASE." THE LESSER OF: (A) TWO DOLLARS AND FIFTY CENTS OR (B) FIFTY PER CENTUM OF THE TAX LIABILITY PER SQUARE FOOT.

2. "ABATEMENT ZONE." ANY AREA LOCATED WITHIN THE CONSTRUCTION AREA OF THE SECOND AVENUE SUBWAY PROJECT AS DEFINED BY THE COMMISSIONER OF THE METROPOLITAN TRANSPORTATION AUTHORITY, WHICH HAS BEEN LOCATED IN SUCH

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

LBD00190-03-2

1 AREA AND CONTINUALLY BEEN DOING BUSINESS IN SUCH AREA DURING THE YEAR
2 TWO THOUSAND EIGHT AND DURING THE CURRENT TAXABLE YEAR.

3 3. "AGGREGATE FLOOR AREA." THE SUM OF THE GROSS AREAS OF THE SEVERAL
4 FLOORS OF A BUILDING, MEASURED FROM THE EXTERIOR FACES OF EXTERIOR WALLS
5 OR FROM THE CENTER LINES OF WALLS SEPARATING TWO BUILDINGS.

6 4. "APPLICANT." THE LANDLORD AND THE TENANT.

7 5. "BENEFIT PERIOD." THE PERIOD COMMENCING WITH THE FIRST DAY OF THE
8 MONTH IMMEDIATELY FOLLOWING THE RENT COMMENCEMENT DATE AND TERMINATING
9 NO LATER THAN SIXTY MONTHS THEREAFTER.

10 6. "BILLABLE ASSESSED VALUE." THE LESSER OF THE TAXABLE TRANSITIONAL
11 OR THE TAXABLE ACTUAL ASSESSED VALUE OF THE ELIGIBLE BUILDING AND THE
12 LAND ON WHICH THE ELIGIBLE BUILDING IS LOCATED FOR THE FISCAL YEAR IN
13 WHICH THE BENEFIT PERIOD COMMENCES, AS COMPUTED PURSUANT TO SUBDIVISION
14 THREE OF SECTION EIGHTEEN HUNDRED FIVE OF THIS CHAPTER.

15 7. "DEPARTMENT OF FINANCE." THE DEPARTMENT OF FINANCE OF THE CITY OF
16 NEW YORK.

17 8. "ELIGIBLE BUILDING." A NON-RESIDENTIAL OR MIXED-USE BUILDING
18 LOCATED IN THE ABATEMENT ZONE. SUCH ELIGIBLE BUILDING SHALL NOT INCLUDE
19 ANY BUILDING OWNED BY A GOVERNMENTAL AGENCY.

20 9. "ELIGIBILITY PERIOD." THE PERIOD COMMENCING JANUARY FIRST, TWO
21 THOUSAND EIGHT AND TERMINATING JUNE FIRST, TWO THOUSAND SIXTEEN.

22 10. "ELIGIBLE PREMISES." PREMISES LOCATED IN AN ELIGIBLE BUILDING
23 WHICH ARE OCCUPIED OR USED AS OFFICES (INCLUDING ANCILLARY USES) OR ARE
24 OCCUPIED OR USED AS RETAIL SPACE.

25 11. "FISCAL YEAR." THE FISCAL YEAR OF ANY CITY HAVING A POPULATION OF
26 ONE MILLION OR MORE.

27 12. "GOVERNMENTAL AGENCY." THE UNITED STATES OF AMERICA OR ANY AGENCY
28 OR INSTRUMENTALITY THEREOF, THE STATE OF NEW YORK, THE CITY OF NEW YORK,
29 ANY PUBLIC CORPORATION (INCLUDING A BODY CORPORATE AND POLITIC CREATED
30 PURSUANT TO AGREEMENT OR COMPACT BETWEEN THE STATE OF NEW YORK AND ANY
31 OTHER STATE), PUBLIC BENEFIT CORPORATION, PUBLIC AUTHORITY OR OTHER
32 POLITICAL SUBDIVISION OF THE STATE.

33 13. "LANDLORD." ANY PERSON WHO: (A) CONTROLS ALL NON-RESIDENTIAL
34 PORTIONS OF AN ELIGIBLE BUILDING, INCLUDING, WITHOUT LIMITATION, THE
35 RECORD OWNER, THE LESSEE UNDER A GROUND LEASE, ANY MORTGAGEE IN
36 POSSESSION OR ANY RECEIVER, AND

37 (B) WHO GRANTS THE RIGHT TO USE OR OCCUPY ELIGIBLE PREMISES TO ANY
38 TENANT, PROVIDED THAT LANDLORD SHALL NOT INCLUDE ANY LESSEE WHO AT ANY
39 TIME DURING THE LEASE TERM OCCUPIED OR USED OR OCCUPIES OR USES ANY PART
40 OF THE NON-RESIDENTIAL PORTIONS OF SUCH ELIGIBLE BUILDING, OTHER THAN
41 PREMISES OCCUPIED OR USED BY SUCH LESSEE TO PROVIDE RENTAL OR MANAGEMENT
42 SERVICES TO SUCH BUILDING.

43 14. "LEASE COMMENCEMENT DATE." THE DATE SET FORTH IN THE LEASE ON
44 WHICH THE TERM OF THE LEASE COMMENCES.

45 15. "MIXED-USE BUILDING." A BUILDING USED FOR BOTH RESIDENTIAL AND
46 COMMERCIAL PURPOSES, PROVIDED THAT MORE THAN TWENTY-FIVE PER CENTUM OF
47 THE AGGREGATE FLOOR AREA OF SUCH BUILDING IS USED OR HELD OUT FOR USE AS
48 COMMERCIAL, COMMUNITY FACILITY OR ACCESSORY USE SPACE.

49 16. "PERSON." AN INDIVIDUAL, CORPORATION, LIMITED LIABILITY COMPANY,
50 PARTNERSHIP, ASSOCIATION, AGENCY, TRUST, ESTATE, FOREIGN OR DOMESTIC
51 GOVERNMENT OR SUBDIVISION THEREOF, OR OTHER ENTITY.

52 17. "RENT COMMENCEMENT DATE." THE DATE SET FORTH IN THE LEASE ON WHICH
53 THE OBLIGATION TO PAY BASIC FIXED RENT SHALL COMMENCE.

54 18. "TAX LIABILITY." THE PRODUCT OBTAINED BY MULTIPLYING THE BILLABLE
55 ASSESSED VALUE FOR THE FISCAL YEAR IN WHICH THE BENEFIT PERIOD COMMENCES
56 BY THE TAX RATE APPLICABLE TO THE ELIGIBLE BUILDING FOR SUCH FISCAL YEAR

1 AS SET BY THE LOCAL LEGISLATIVE BODY OF ANY CITY HAVING A POPULATION OF
2 ONE MILLION OR MORE.

3 19. "TAX LIABILITY PER SQUARE FOOT." THE TAX LIABILITY DIVIDED BY THE
4 TOTAL NUMBER OF SQUARE FEET IN THE ELIGIBLE BUILDING, AS LISTED ON THE
5 RECORDS OF THE DEPARTMENT OF FINANCE.

6 20. "TENANT." A PERSON (INCLUDING ANY SUCCESSORS IN INTEREST) WHO
7 EXECUTES A LEASE WITH THE LANDLORD FOR THE RIGHT TO OCCUPY OR USE THE
8 ELIGIBLE PREMISES AND WHO OCCUPIES OR USES THE ELIGIBLE PREMISES PURSU-
9 ANT TO SUCH LEASE. TENANT SHALL NOT INCLUDE ANY SUBTENANT.

10 21. "TENANT'S PERCENTAGE SHARE." THE PERCENTAGE OF THE ELIGIBLE
11 BUILDING'S AGGREGATE FLOOR AREA ALLOCATED TO THE ELIGIBLE PREMISES,
12 WHICH SHALL BE PRESUMED TO BE SUCH PERCENTAGE AS SET FORTH IN THE LEASE
13 FOR THE ELIGIBLE PREMISES; PROVIDED THAT WHERE THE ELIGIBLE PREMISES
14 INCLUDES EXPANSION PREMISES, THE "TENANT'S PERCENTAGE SHARE" SHALL BE
15 CALCULATED ON THE BASIS OF THE PERCENTAGE OF THE ELIGIBLE BUILDING'S
16 AGGREGATE FLOOR AREA ALLOCATED SOLELY TO THE EXPANSION PREMISES.

17 22. "RENEWAL TENANT." A PERSON WHO HAS AN EXISTING LEASE WITH THE
18 LANDLORD AND RENEGOTIATES OR RENEWS SUCH LEASE WITH THE LANDLORD FOR THE
19 RIGHT TO OCCUPY OR USE THE ELIGIBLE PREMISES.

20 S 497-A. REAL PROPERTY TAX ABATEMENT. 1. WITHIN A CITY HAVING A POPU-
21 LATION OF ONE MILLION OR MORE, ELIGIBLE BUILDINGS CONTAINING ELIGIBLE
22 PREMISES SHALL RECEIVE AN ABATEMENT OF REAL PROPERTY TAXES DURING THE
23 BENEFIT PERIOD AS FOLLOWS:

24 (A) FOR EACH OF THE FIRST THREE YEARS OF THE BENEFIT PERIOD, THE
25 ABATEMENT SHALL BE EQUAL TO THE PRODUCT OBTAINED BY:

26 (1) MULTIPLYING THE TENANT'S PERCENTAGE SHARE BY THE NUMBER OF SQUARE
27 FEET IN THE ELIGIBLE BUILDING, AS LISTED ON THE RECORDS OF THE DEPART-
28 MENT OF FINANCE AND

29 (2) MULTIPLYING THE PRODUCT OBTAINED IN SUBPARAGRAPH ONE OF THIS PARA-
30 GRAPH BY THE ABATEMENT BASE;

31 (B) FOR THE FOURTH YEAR OF THE BENEFIT PERIOD, THE ABATEMENT SHALL BE
32 EQUAL TO TWO-THIRDS OF THE ABATEMENT IN THE FIRST YEAR OF THE BENEFIT
33 PERIOD; AND

34 (C) FOR THE FIFTH YEAR OF THE BENEFIT PERIOD, THE ABATEMENT SHALL BE
35 EQUAL TO ONE-THIRD OF THE ABATEMENT IN THE FIRST YEAR OF THE BENEFIT
36 PERIOD.

37 2. IF, AS A RESULT OF APPLICATION TO THE TAX COMMISSION OR A COURT
38 ORDER OR ACTION BY THE DEPARTMENT OF FINANCE, THE BILLABLE ASSESSED
39 VALUE IS REDUCED, THE DEPARTMENT OF FINANCE SHALL RECALCULATE THE ABATE-
40 MENT UTILIZING SUCH REDUCED BILLABLE ASSESSED VALUE. THE AMOUNT EQUAL TO
41 THE DIFFERENCE BETWEEN THE ABATEMENT ORIGINALLY GRANTED AND THE ABATE-
42 MENT AS SO RECALCULATED SHALL BE DEDUCTED FROM ANY REFUND OTHERWISE
43 PAYABLE OR REMISSION OTHERWISE DUE AS A RESULT OF SUCH REDUCTION IN
44 BILLABLE ASSESSED VALUE, AND ANY BALANCE OF SUCH AMOUNT REMAINING UNPAID
45 AFTER MAKING ANY SUCH DEDUCTION SHALL BE PAID TO THE DEPARTMENT OF
46 FINANCE WITHIN THIRTY DAYS FROM THE DATE OF MAILING BY THE DEPARTMENT OF
47 FINANCE OF A NOTICE OF THE AMOUNT PAYABLE. SUCH AMOUNT PAYABLE SHALL
48 CONSTITUTE A TAX LIEN ON THE ELIGIBLE BUILDING AS OF THE DATE OF SUCH
49 NOTICE AND, IF NOT PAID WITHIN SUCH THIRTY-DAY PERIOD, PENALTY AND
50 INTEREST AT THE RATE APPLICABLE TO DELINQUENT TAXES ON SUCH ELIGIBLE
51 BUILDING SHALL BE CHARGED AND COLLECTED ON SUCH AMOUNT FROM THE DATE OF
52 SUCH NOTICE TO THE DATE OF PAYMENT.

53 3. IN NO EVENT SHALL THE ABATEMENT FOR THE ELIGIBLE PREMISES GRANTED
54 PURSUANT TO THIS TITLE EXCEED THE TAX LIABILITY ALLOCABLE TO THE ELIGI-
55 BLE PREMISES.

1 4. NOTWITHSTANDING THE PROVISIONS OF ANY LEASE FOR OCCUPANCY OF
2 NON-ELIGIBLE PREMISES IN AN ELIGIBLE BUILDING OR FOR OCCUPANCY OF ELIGI-
3 BLE PREMISES FOR WHICH NO CERTIFICATE OF ABATEMENT HAS BEEN ISSUED
4 PURSUANT TO THIS TITLE, A LESSEE OF NON-ELIGIBLE PREMISES OR OF ELIGIBLE
5 PREMISES FOR WHICH NO CERTIFICATE OF ABATEMENT HAS BEEN ISSUED PURSUANT
6 TO THIS TITLE SHALL NOT BE ENTITLED TO RECEIVE DIRECTLY OR INDIRECTLY A
7 REDUCTION IN EITHER THE REAL PROPERTY TAXES OR ANY RENT (INCLUDING ADDI-
8 TIONAL RENT) PAYABLE PURSUANT TO SUCH LEASE WHERE SUCH REDUCTION WOULD
9 RESULT FROM AN ABATEMENT OF REAL PROPERTY TAXES GRANTED PURSUANT TO THIS
10 TITLE. A LANDLORD OF AN ELIGIBLE BUILDING SHALL NOT ALLOCATE, CREDIT,
11 ASSIGN OR DISBURSE ANY PORTION OF AN ABATEMENT GRANTED PURSUANT TO THIS
12 TITLE TO A LESSEE OF NON-ELIGIBLE PREMISES OR OF ELIGIBLE PREMISES FOR
13 WHICH NO CERTIFICATE OF ABATEMENT HAS BEEN ISSUED PURSUANT TO THIS
14 TITLE. A LANDLORD SHALL NOT BE REQUIRED TO REDUCE THE REAL PROPERTY
15 TAXES OR ANY RENT (INCLUDING ADDITIONAL RENT) PAYABLE BY EXPANSION
16 TENANTS, NEW TENANTS AND RENEWAL TENANTS BY AN AMOUNT THAT EXCEEDS THE
17 FULL AMOUNT OF THE ABATEMENT GRANTED PURSUANT TO THIS TITLE, BUT A LAND-
18 LORD SHALL BE REQUIRED TO REDUCE THE REAL PROPERTY TAXES OR ANY RENT
19 (INCLUDING ADDITIONAL RENT) PAYABLE BY EXPANSION TENANTS, NEW TENANTS
20 AND RENEWAL TENANTS BY AN AMOUNT THAT, IN THE AGGREGATE, EQUALS THE FULL
21 AMOUNT OF THE ABATEMENT GRANTED PURSUANT TO THIS TITLE. SUCH REDUCTION
22 SHALL BE ALLOCATED IN ACCORDANCE WITH THE ABATEMENT GRANTED FOR THE
23 ELIGIBLE PREMISES OCCUPIED BY EACH SUCH TENANT.

24 S 497-B. ELIGIBILITY REQUIREMENTS. 1. NO ABATEMENT SHALL BE GRANTED
25 PURSUANT TO THIS TITLE UNLESS THE LANDLORD ENTERS INTO A LEASE FOR
26 ELIGIBLE PREMISES WITH A TENANT OR RENEWAL TENANT AND:

27 (A) THE LEASE COMMENCEMENT DATE IS WITHIN THE ELIGIBILITY PERIOD;

28 (B) (1) IF, BY THE SIXTIETH DAY FOLLOWING THE RENT COMMENCEMENT DATE,
29 SUCH TENANT OR RENEWAL TENANT EMPLOYS ONE HUNDRED TWENTY-FIVE OR FEWER
30 EMPLOYEES IN THE ELIGIBLE PREMISES, THE INITIAL LEASE TERM IS FOR A
31 PERIOD OF AT LEAST FIVE YEARS OR

32 (2) IF, BY THE SIXTIETH DAY FOLLOWING THE RENT COMMENCEMENT DATE, SUCH
33 TENANT OR RENEWAL TENANT EMPLOYS MORE THAN ONE HUNDRED TWENTY-FIVE
34 EMPLOYEES IN THE ELIGIBLE PREMISES, THE INITIAL LEASE TERM IS FOR A
35 PERIOD OF AT LEAST TEN YEARS.

36 2. NO ABATEMENT SHALL BE GRANTED PURSUANT TO THIS TITLE IF AN APPLI-
37 CANT SHALL FAIL TO MEET ANY OF THE REQUIREMENTS OF THIS TITLE WITHIN
38 SIXTY DAYS OF THE RENT COMMENCEMENT DATE.

39 3. FOR PURPOSES OF THIS TITLE, THE EXPIRATION DATE OF A LEASE SHALL BE
40 DETERMINED BY THE EXPIRATION DATE SET FORTH IN SUCH LEASE, WITHOUT
41 GIVING EFFECT TO ANY RIGHTS OF THE LANDLORD OR THE TENANT TO TERMINATE
42 SUCH LEASE PRIOR TO THE EXPIRATION DATE SET FORTH IN SUCH LEASE.

43 4. THE LEASE FOR THE ELIGIBLE PREMISES SHALL CONTAIN THE FOLLOWING
44 PROVISIONS:

45 (A) A STATEMENT OF THE TENANT'S PERCENTAGE SHARE;

46 (B) A STATEMENT INFORMING THE TENANT IN AT LEAST TWELVE-POINT TYPE
47 THAT:

48 (1) AN APPLICATION FOR ABATEMENT OF REAL PROPERTY TAXES PURSUANT TO
49 THIS TITLE WILL BE MADE FOR THE PREMISES;

50 (2) THE RENT, INCLUDING AMOUNTS PAYABLE BY THE TENANT OR RENEWAL
51 TENANT FOR REAL PROPERTY TAXES, WILL ACCURATELY REFLECT ANY ABATEMENT OF
52 REAL PROPERTY TAXES GRANTED PURSUANT TO THIS TITLE FOR THE PREMISES; AND

53 (3) ALL ABATEMENTS GRANTED WITH RESPECT TO A BUILDING PURSUANT TO THIS
54 TITLE WILL BE REVOKED IF, DURING THE BENEFIT PERIOD, REAL ESTATE TAXES
55 OR WATER OR SEWER CHARGES OR OTHER LIENABLE CHARGES ARE UNPAID FOR MORE

1 THAN ONE YEAR, UNLESS SUCH DELINQUENT AMOUNTS ARE PAID AS PROVIDED IN
2 SUBDIVISION FOUR OF SECTION FOUR HUNDRED NINETY-SEVEN-E OF THIS TITLE.

3 5. NO ABATEMENT SHALL BE GRANTED PURSUANT TO THIS TITLE IF:

4 (A) THE LEASE FOR THE ELIGIBLE PREMISES PROVIDES THAT DURING THE
5 INITIAL LEASE TERM REQUIRED BY SUBDIVISION ONE OF THIS SECTION EITHER
6 THE LANDLORD OR THE TENANT OR RENEWAL TENANT MAY TERMINATE SUCH LEASE
7 PRIOR TO THE EXPIRATION DATE OF SUCH REQUIRED INITIAL LEASE TERM;
8 PROVIDED THAT SUCH LEASE MAY PROVIDE THAT EITHER THE LANDLORD OR THE
9 TENANT MAY TERMINATE SUCH LEASE IF:

10 (1) THE OTHER PARTY IS IN DEFAULT OF ANY OF SUCH PARTY'S OBLIGATIONS
11 UNDER THE LEASE,

12 (2) THE ELIGIBLE PREMISES ARE DAMAGED OR DESTROYED BY FIRE OR OTHER
13 CASUALTY,

14 (3) THE ELIGIBLE PREMISES ARE RENDERED UNUSABLE FOR ANY REASON NOT
15 ATTRIBUTABLE TO ANY ACT OR FAILURE TO ACT OF EITHER TENANT OR LANDLORD,
16 OR

17 (4) THE ELIGIBLE PREMISES ARE ACQUIRED BY EMINENT DOMAIN; AND

18 (B) THERE ARE REAL PROPERTY TAXES, WATER OR SEWER CHARGES OR OTHER
19 LIENABLE CHARGES CURRENTLY DUE AND OWING ON THE ELIGIBLE BUILDING WHICH
20 IS THE SUBJECT OF AN APPLICATION FOR ABATEMENT PURSUANT TO THIS TITLE,
21 UNLESS SUCH REAL PROPERTY TAXES OR CHARGES ARE CURRENTLY BEING PAID IN
22 TIMELY INSTALLMENTS PURSUANT TO A WRITTEN AGREEMENT WITH THE DEPARTMENT
23 OF FINANCE OR OTHER APPROPRIATE AGENCY.

24 6. NO ABATEMENT SHALL BE GRANTED PURSUANT TO THIS TITLE UNLESS THE
25 APPLICANT SHALL FILE, TOGETHER WITH THE APPLICATION, AN AFFIDAVIT
26 SETTING FORTH THE FOLLOWING INFORMATION:

27 (A) A STATEMENT THAT WITHIN THE SEVEN YEARS IMMEDIATELY PRECEDING THE
28 DATE OF APPLICATION FOR A CERTIFICATE OF ABATEMENT, NEITHER THE APPLI-
29 CANT NOR ANY PERSON OWNING A SUBSTANTIAL INTEREST IN THE ELIGIBLE BUILD-
30 ING AS DEFINED IN PARAGRAPH (C) OF THIS SUBDIVISION, NOR ANY OFFICER,
31 DIRECTOR OR GENERAL PARTNER OF THE APPLICANT OR SUCH PERSON WAS FINALLY
32 ADJUDICATED BY A COURT OF COMPETENT JURISDICTION TO HAVE VIOLATED
33 SECTION TWO HUNDRED THIRTY-FIVE OF THE REAL PROPERTY LAW OR ANY SECTION
34 OF ARTICLE ONE HUNDRED FIFTY OF THE PENAL LAW OR ANY SIMILAR ARSON LAW
35 OF ANOTHER JURISDICTION WITH RESPECT TO ANY BUILDING, OR WAS AN OFFICER,
36 DIRECTOR OR GENERAL PARTNER OF A PERSON AT THE TIME SUCH PERSON WAS
37 FINALLY ADJUDICATED TO HAVE VIOLATED ANY SUCH LAW; AND

38 (B) A STATEMENT SETTING FORTH ANY PENDING CHARGES ALLEGING VIOLATION
39 OF SECTION TWO HUNDRED THIRTY-FIVE OF THE REAL PROPERTY LAW OR ANY
40 SECTION OF ARTICLE ONE HUNDRED FIFTY OF THE PENAL LAW OR ANY SIMILAR
41 ARSON LAW OF ANOTHER JURISDICTION WITH RESPECT TO ANY BUILDING BY THE
42 APPLICANT OR ANY PERSON OWNING A SUBSTANTIAL INTEREST IN THE ELIGIBLE
43 BUILDING AS DEFINED IN PARAGRAPH (C) OF THIS SUBDIVISION, OR ANY OFFI-
44 CER, DIRECTOR OR GENERAL PARTNER OF THE APPLICANT OR SUCH PERSON, OR ANY
45 PERSON FOR WHOM THE APPLICANT OR PERSON OWNING A SUBSTANTIAL INTEREST IN
46 THE ELIGIBLE BUILDING IS AN OFFICER, DIRECTOR OR GENERAL PARTNER.

47 (C) FOR PURPOSES OF THIS SUBDIVISION AND SUBDIVISION SEVEN OF SECTION
48 FOUR HUNDRED NINETY-SEVEN-E OF THIS TITLE, "SUBSTANTIAL INTEREST" SHALL
49 MEAN OWNERSHIP AND CONTROL OF AN INTEREST OF TEN PER CENTUM OR MORE IN
50 THE ELIGIBLE BUILDING OR IN ANY PERSON OWNING THE ELIGIBLE BUILDING.

51 S 497-C. APPLICATION FOR CERTIFICATE OF ABATEMENT. 1. APPLICATION FOR
52 A CERTIFICATE OF ABATEMENT MAY BE MADE ON OR AFTER JANUARY FIRST, TWO
53 THOUSAND EIGHT AND UNTIL SIXTY DAYS AFTER THE END OF THE ELIGIBILITY
54 PERIOD, AND SHALL BE FILED WITH THE DEPARTMENT OF FINANCE. NO APPLICA-
55 TION MAY BE FILED PRIOR TO THE DATE ON WHICH THE LEASE FOR THE ELIGIBLE
56 PREMISES IS EXECUTED BY THE LANDLORD AND TENANT.

1 2. NO ABATEMENT PURSUANT TO THIS TITLE SHALL BE GRANTED UNLESS THE
2 APPLICANT FILES AN APPLICATION FOR A CERTIFICATE OF ABATEMENT WITHIN
3 SIXTY DAYS FOLLOWING THE LEASE COMMENCEMENT DATE OR WITHIN SIXTY DAYS
4 FOLLOWING THE EFFECTIVE DATE OF THIS TITLE, WHICHEVER IS LATER.

5 3. IN ADDITION TO ANY OTHER INFORMATION REQUIRED BY THE DEPARTMENT OF
6 FINANCE, THE APPLICATION FOR A CERTIFICATE OF ABATEMENT SHALL INCLUDE AN
7 ABSTRACT OF THE LEASE FOR THE ELIGIBLE PREMISES FOR WHICH AN ABATEMENT
8 IS BEING SOUGHT WHICH ABSTRACT IS SIGNED BY THE LANDLORD AND THE TENANT.
9 SUCH ABSTRACT SHALL INCLUDE THE TENANT'S PERCENTAGE SHARE, THE LEASE
10 COMMENCEMENT DATE, THE RENT COMMENCEMENT DATE, THE EXPIRATION DATE FOR
11 SUCH LEASE AND A DESCRIPTION OF THE IMPROVEMENTS TO BE MADE TO THE
12 ELIGIBLE PREMISES AND THE COMMON AREAS OF THE ELIGIBLE BUILDING, INCLUD-
13 ING THE ESTIMATED VALUE OF SUCH IMPROVEMENTS. SUCH APPLICATION SHALL
14 ALSO INCLUDE:

15 (A) A STATEMENT OF THE NUMBER OF PERSONS WHO WILL, ON THE RENT
16 COMMENCEMENT DATE, BE EMPLOYED IN THE ELIGIBLE PREMISES,

17 (B) A STATEMENT OF THE LOCATION OF ALL OFFICE OR RETAIL SPACE IN THE
18 CITY OF NEW YORK OCCUPIED BY THE TENANT PRIOR TO THE EXECUTION OF THE
19 LEASE FOR THE ELIGIBLE PREMISES,

20 (C) THE COMMENCEMENT AND EXPIRATION DATES OF ALL LEASES FOR PREMISES
21 IN THE ABATEMENT ZONE USED OR OCCUPIED AS OFFICE OR RETAIL SPACE, AND

22 (D) THE AGGREGATE FLOOR AREA OF THE ELIGIBLE BUILDING. SUCH APPLICA-
23 TION SHALL ALSO STATE THAT THE APPLICANT AGREES TO COMPLY WITH AND BE
24 SUBJECT TO THE RULES ISSUED FROM TIME TO TIME BY THE DEPARTMENT OF
25 FINANCE.

26 4. WITHIN SIXTY DAYS FOLLOWING THE RENT COMMENCEMENT DATE, THE APPLI-
27 CANT SHALL PROVIDE, IN ADDITION TO ANY OTHER INFORMATION REQUIRED BY THE
28 DEPARTMENT OF FINANCE, EVIDENCE ACCEPTABLE TO THE DEPARTMENT OF FINANCE
29 REGARDING THE NUMBER OF EMPLOYEES IN THE ELIGIBLE PREMISES. THE DEPART-
30 MENT OF FINANCE SHALL ISSUE A CERTIFICATE OF ABATEMENT UPON DETERMINING
31 THAT THE APPLICANT HAS SUBMITTED PROOF ACCEPTABLE TO THE DEPARTMENT OF
32 FINANCE THAT THE APPLICANT HAS MET THE REQUIREMENTS SET FORTH IN THIS
33 TITLE.

34 5. THE BURDEN OF PROOF SHALL BE ON THE APPLICANT TO SHOW BY CLEAR AND
35 CONVINCING EVIDENCE THAT THE REQUIREMENTS FOR GRANTING A CERTIFICATE OF
36 ABATEMENT HAVE BEEN SATISFIED. THE DEPARTMENT OF FINANCE SHALL HAVE THE
37 AUTHORITY TO REQUIRE THAT STATEMENTS IN CONNECTION WITH SUCH APPLICATION
38 BE MADE UNDER OATH.

39 6. THE DEPARTMENT OF FINANCE MAY PROVIDE BY RULE FOR REASONABLE ADMIN-
40 ISTRACTIVE CHARGES OR FEES NECESSARY TO DEFRAY EXPENSES IN ADMINISTERING
41 THE ABATEMENT PROGRAM PROVIDED BY THIS TITLE.

42 S 497-D. ENFORCEMENT AND ADMINISTRATION. THE DEPARTMENT OF FINANCE
43 SHALL HAVE, IN ADDITION TO ANY OTHER FUNCTIONS, POWERS AND DUTIES WHICH
44 HAVE BEEN OR MAY BE CONFERRED ON IT BY LAW, THE FOLLOWING FUNCTIONS,
45 POWERS AND DUTIES:

46 1. TO RECEIVE AND REVIEW APPLICATIONS FOR CERTIFICATES OF ABATEMENT
47 UNDER THIS TITLE AND ISSUE SUCH CERTIFICATES WHERE AUTHORIZED PURSUANT
48 TO THIS TITLE.

49 2. TO RECEIVE EVIDENCE OF PREMISES AND BUILDING ELIGIBILITY.

50 3. TO RECEIVE ALL CERTIFICATES OF CONTINUING ELIGIBILITY REQUIRED BY
51 SECTION FOUR HUNDRED NINETY-SEVEN-E OF THIS TITLE.

52 4. TO COLLECT ALL REAL PROPERTY TAXES, WITH INTEREST AND PENALTY, DUE
53 AND OWING AS A RESULT OF REDUCTION, TERMINATION OR REVOCATION OF ANY
54 ABATEMENT GRANTED PURSUANT TO THIS TITLE.

55 5. TO MAKE AND PROMULGATE RULES TO CARRY OUT THE PURPOSES OF THIS
56 TITLE.

1 S 497-E. REPORTING REQUIREMENTS; REVOCATION OF ABATEMENTS. 1. FOR THE
2 DURATION OF THE APPLICANT'S BENEFIT PERIOD, THE APPLICANT SHALL FILE
3 ANNUALLY WITH THE DEPARTMENT OF FINANCE, ON OR BEFORE JULY FIRST OF EACH
4 YEAR, A CERTIFICATE OF CONTINUING ELIGIBILITY CONFIRMING THAT THE ELIGI-
5 BLE PREMISES ARE OCCUPIED BY THE TENANT WHO ORIGINALLY EXECUTED THE
6 LEASE AND THAT THE ELIGIBLE PREMISES ARE BEING USED FOR THE PURPOSES
7 DESCRIBED IN THE APPLICATION. SUCH CERTIFICATE OF CONTINUING ELIGIBILITY
8 SHALL BE ON A FORM PRESCRIBED BY THE DEPARTMENT OF FINANCE AND SHALL
9 CONTAIN SUCH ADDITIONAL INFORMATION AS THE DEPARTMENT OF FINANCE SHALL
10 REQUIRE. THE DEPARTMENT OF FINANCE SHALL HAVE THE AUTHORITY TO DETERMINE
11 THE ABATEMENTS GRANTED PURSUANT TO THIS TITLE UPON FAILURE OF AN APPLI-
12 CANT TO FILE SUCH CERTIFICATE BY SUCH DATE. THE BURDEN OF PROOF SHALL BE
13 ON THE APPLICANT TO ESTABLISH CONTINUING ELIGIBILITY FOR BENEFITS AND
14 THE DEPARTMENT OF FINANCE SHALL HAVE THE AUTHORITY TO REQUIRE THAT
15 STATEMENTS MADE IN SUCH CERTIFICATE SHALL BE MADE UNDER OATH.

16 2. THE DEPARTMENT OF FINANCE SHALL REVOKE ANY ABATEMENT GRANTED PURSU-
17 ANT TO THIS TITLE WHEN THE TENANT WHO ORIGINALLY EXECUTED THE LEASE IS
18 NO LONGER OCCUPYING THE ELIGIBLE PREMISES. SUCH REVOCATION SHALL BE
19 RETROACTIVE TO THE DATE THAT SUCH TENANT VACATED THE ELIGIBLE PREMISES
20 AND THE DEPARTMENT OF FINANCE SHALL REQUIRE THE LANDLORD TO PAY, WITH
21 INTEREST, ANY TAXES WHICH BECOME PAYABLE AS A RESULT OF SUCH REVOCATION.
22 THE LANDLORD SHALL NOTIFY THE DEPARTMENT OF FINANCE WITHIN THIRTY DAYS
23 FOLLOWING THE DATE ON WHICH SUCH TENANT VACATED THE ELIGIBLE PREMISES
24 AND, FOR FAILURE TO COMPLY WITH THIS NOTIFICATION REQUIREMENT, SHALL BE
25 LIABLE FOR PENALTY CALCULATED FOR THE SAME PERIOD AS INTEREST IS CALCU-
26 LATED PURSUANT TO THE PRECEDING SENTENCE.

27 3. IF ANY PORTION OF THE PREMISES FOR WHICH AN ABATEMENT HAS BEEN
28 GRANTED PURSUANT TO THIS TITLE CEASES TO BE OCCUPIED OR USED AS ELIGIBLE
29 PREMISES OR IS OCCUPIED BY A SUBTENANT, THE DEPARTMENT OF FINANCE SHALL
30 REDUCE THE ABATEMENT GRANTED PURSUANT TO THIS TITLE BY AN AMOUNT EQUAL
31 TO THE PERCENTAGE OF SUCH ELIGIBLE PREMISES WHICH HAS CEASED TO BE OCCU-
32 PIED OR USED AS ELIGIBLE PREMISES OR IS OCCUPIED BY A SUBTENANT. SUCH
33 REDUCTION SHALL BE RETROACTIVE TO THE DATE THAT SUCH PREMISES CEASED TO
34 BE OCCUPIED OR USED AS ELIGIBLE PREMISES OR WAS OCCUPIED BY A SUBTENANT,
35 AND THE DEPARTMENT OF FINANCE SHALL REQUIRE THE LANDLORD TO PAY, WITH
36 INTEREST, ANY TAXES WHICH BECOME PAYABLE AS A RESULT OF SUCH REDUCTION.
37 THE LANDLORD SHALL NOTIFY THE DEPARTMENT OF FINANCE WITHIN THIRTY DAYS
38 FOLLOWING THE DATE ON WHICH THE PREMISES CEASED TO BE OCCUPIED OR USED
39 AS ELIGIBLE PREMISES OR WAS OCCUPIED BY A SUBTENANT AND, FOR FAILURE TO
40 COMPLY WITH THIS NOTIFICATION REQUIREMENT, SHALL BE LIABLE FOR PENALTY
41 CALCULATED FOR THE SAME PERIOD AS INTEREST IS CALCULATED PURSUANT TO
42 THIS SUBDIVISION.

43 4. IF, DURING THE BENEFIT PERIOD, ANY REAL PROPERTY TAX OR WATER OR
44 SEWER CHARGE OR OTHER LIENABLE CHARGE DUE AND PAYABLE WITH RESPECT TO AN
45 ELIGIBLE BUILDING SHALL REMAIN UNPAID FOR AT LEAST ONE YEAR FOLLOWING
46 THE DATE UPON WHICH SUCH TAX OR CHARGE BECAME DUE AND PAYABLE, ALL
47 ABATEMENTS GRANTED PURSUANT TO THIS TITLE WITH RESPECT TO SUCH BUILDING
48 SHALL BE REVOKED, UNLESS WITHIN THIRTY DAYS FROM THE MAILING OF A NOTICE
49 OF REVOCATION BY THE DEPARTMENT OF FINANCE SATISFACTORY PROOF IS
50 PRESENTED TO THE DEPARTMENT OF FINANCE THAT ANY AND ALL DELINQUENT TAXES
51 AND CHARGES OWING WITH RESPECT TO SUCH BUILDING AS OF THE DATE OF SUCH
52 NOTICE HAVE BEEN PAID IN FULL OR ARE CURRENTLY BEING PAID IN TIMELY
53 INSTALLMENTS PURSUANT TO A WRITTEN AGREEMENT WITH THE DEPARTMENT OF
54 FINANCE OR OTHER APPROPRIATE AGENCY. ANY REVOCATION PURSUANT TO THIS
55 SUBDIVISION SHALL BE EFFECTIVE WITH RESPECT TO REAL PROPERTY TAXES WHICH
56 BECOME DUE AND PAYABLE FOLLOWING THE DATE OF SUCH REVOCATION.

1 5. THE DEPARTMENT OF FINANCE MAY DENY, REDUCE, SUSPEND, TERMINATE OR
2 REVOKE ANY ABATEMENT GRANTED PURSUANT TO THIS TITLE WHENEVER:

3 (A) THE LANDLORD OR THE TENANT RECEIVING ABATEMENT PURSUANT TO THIS
4 TITLE FAILS TO COMPLY WITH THE REQUIREMENTS OF THIS TITLE OR THE RULES
5 PROMULGATED HEREUNDER; OR

6 (B) AN APPLICATION, CERTIFICATE, REPORT OR OTHER DOCUMENT SUBMITTED BY
7 THE APPLICANT CONTAINS A FALSE OR MISLEADING STATEMENT AS TO A MATERIAL
8 FACT OR OMITS TO STATE ANY MATERIAL FACT NECESSARY IN ORDER TO MAKE THE
9 STATEMENT THEREIN NOT FALSE OR MISLEADING, AND MAY DECLARE ANY APPLICANT
10 WHO MAKES SUCH FALSE OR MISLEADING STATEMENT OR OMISSION TO BE INELIGI-
11 BLE FOR FUTURE ABATEMENT PURSUANT TO THIS TITLE FOR THE SAME OR OTHER
12 PROPERTY. IN ADDITION, THE DEPARTMENT OF FINANCE SHALL REQUIRE THE
13 APPLICANT TO PAY, WITH PENALTY AND INTEREST, ANY ABATEMENT RECEIVED
14 PURSUANT TO THIS TITLE AS A RESULT OF SUCH FALSE OR MISLEADING STATEMENT
15 OR OMISSION OF A MATERIAL FACT.

16 6. NOTWITHSTANDING ANY OTHER PROVISION OF THIS TITLE, THE DEPARTMENT
17 OF FINANCE SHALL DENY, TERMINATE OR REVOKE ANY ABATEMENT APPLIED FOR OR
18 GRANTED PURSUANT TO THIS TITLE UPON A DETERMINATION THAT THE LEASE
19 BETWEEN THE LANDLORD AND THE TENANT WAS ENTERED INTO PRIMARILY FOR THE
20 PURPOSE OF RECEIVING AN ABATEMENT UNDER THIS TITLE. IN MAKING SUCH
21 DETERMINATION, THE DEPARTMENT OF FINANCE MAY CONSIDER, AMONG OTHER
22 FACTORS, THE RELATIONSHIP, IF ANY, BETWEEN THE LANDLORD AND THE TENANT
23 AND WHETHER THE BUSINESS TERMS OF SUCH LEASE ARE CONSISTENT WITH THE
24 BUSINESS TERMS GENERALLY FOUND IN LEASES FOR COMPARABLE SPACE.

25 7. (A) IF ANY PERSON DESCRIBED IN THE STATEMENT REQUIRED BY PARAGRAPH
26 (B) OF SUBDIVISION SIX OF SECTION FOUR HUNDRED NINETY-SEVEN-B OF THIS
27 TITLE IS FINALLY ADJUDICATED BY A COURT OF COMPETENT JURISDICTION TO BE
28 GUILTY OF ANY CHARGE LISTED IN SUCH STATEMENT, THE DEPARTMENT OF FINANCE
29 SHALL REVOKE THE ABATEMENT GRANTED PURSUANT TO THIS TITLE AND SHALL
30 REQUIRE THE PAYMENT, WITH INTEREST, OF ANY ABATEMENT RECEIVED PURSUANT
31 TO THIS TITLE.

32 (B) THE APPLICANT SHALL, ON THE CERTIFICATE OF CONTINUING ELIGIBILITY,
33 STATE WHETHER ANY CHARGES ALLEGING VIOLATION BY THE APPLICANT OR ANY
34 PERSON OWNING A SUBSTANTIAL INTEREST IN THE ELIGIBLE BUILDING, OR ANY
35 OFFICER, DIRECTOR OR GENERAL PARTNER OF THE APPLICANT OR PERSON OWNING A
36 SUBSTANTIAL INTEREST IN THE ELIGIBLE BUILDING, OR ANY PERSON FOR WHOM
37 THE APPLICANT OR PERSON OWNING A SUBSTANTIAL INTEREST IN THE ELIGIBLE
38 BUILDING IS AN OFFICER, DIRECTOR OR GENERAL PARTNER, OF SECTION TWO
39 HUNDRED THIRTY-FIVE OF THE REAL PROPERTY LAW OR ANY SECTION OF ARTICLE
40 ONE HUNDRED FIFTY OF THE PENAL LAW OR ANY SIMILAR ARSON LAW OF ANOTHER
41 JURISDICTION, ARE PENDING. FOR PURPOSES OF THIS PARAGRAPH, "SUBSTANTIAL
42 INTEREST" SHALL HAVE THE SAME MEANING AS SET FORTH IN PARAGRAPH (C) OF
43 SUBDIVISION SIX OF SECTION FOUR HUNDRED NINETY-SEVEN-B OF THIS TITLE.

44 S 497-F. TAX LIEN; INTEREST AND PENALTY. ALL TAXES, WITH INTEREST,
45 REQUIRED TO BE PAID RETROACTIVELY PURSUANT TO THIS TITLE SHALL CONSTI-
46 TUTE A TAX LIEN AS OF THE DATE IT IS DETERMINED SUCH TAXES AND INTEREST
47 ARE OWED. ALL INTEREST SHALL BE CALCULATED FROM THE DATE THE TAXES WOULD
48 HAVE BEEN DUE BUT FOR THE ABATEMENT GRANTED PURSUANT TO THIS TITLE AT
49 THE APPLICABLE RATE OR RATES OF INTEREST IMPOSED BY SUCH CITY GENERALLY
50 FOR NON-PAYMENT OF REAL PROPERTY TAX WITH RESPECT TO THE ELIGIBLE BUILD-
51 ING FOR THE PERIOD IN QUESTION. WHEN A PROVISION OF THIS TITLE REQUIRES
52 THE PAYMENT OF A PENALTY IN ADDITION TO INTEREST, THE AMOUNT OF SUCH
53 PENALTY SHALL BE EQUAL TO THE AMOUNT OF INTEREST THAT WOULD HAVE BEEN
54 PAYABLE PURSUANT TO SUCH PROVISION HAD SUCH INTEREST BEEN CALCULATED AT
55 THE RATE OF THREE PERCENT PER ANNUM.

1 S 497-G. CONFIDENTIALITY. 1. EXCEPT IN ACCORDANCE WITH A PROPER JUDI-
2 CIAL ORDER OR AS OTHERWISE PROVIDED BY LAW, IT SHALL BE UNLAWFUL FOR THE
3 COMMISSIONER OF FINANCE, ANY OFFICER OR EMPLOYEE OF THE DEPARTMENT OF
4 FINANCE, THE PRESIDENT OR A COMMISSIONER OR EMPLOYEE OF THE TAX COMMIS-
5 SION, ANY PERSON ENGAGED OR RETAINED BY SUCH DEPARTMENT OR SUCH COMMIS-
6 SION ON AN INDEPENDENT CONTRACT BASIS, OR ANY PERSON WHO, PURSUANT TO
7 THIS TITLE, IS PERMITTED TO INSPECT ANY INFORMATION SUBMITTED BY AN
8 APPLICANT TO THE DEPARTMENT OF FINANCE PURSUANT TO THIS TITLE OR TO WHOM
9 A COPY, AN ABSTRACT OR A PORTION OF ANY SUCH INFORMATION IS FURNISHED,
10 TO DIVULGE OR MAKE KNOWN IN ANY MANNER ANY SUCH INFORMATION TO ANY
11 PERSON NOT AUTHORIZED PURSUANT TO THIS TITLE TO INSPECT SUCH INFORMA-
12 TION. THE OFFICERS CHARGED WITH CUSTODY OF SUCH INFORMATION SHALL NOT BE
13 REQUIRED TO PRODUCE ANY OF IT OR EVIDENCE OF ANYTHING CONTAINED IN IT IN
14 ANY ACTION OR PROCEEDING IN ANY COURT EXCEPT ON BEHALF OF THE COMMIS-
15 SIONER OF FINANCE IN AN ACTION OR PROCEEDING UNDER THE PROVISIONS OF
16 THIS TITLE, OR ON BEHALF OF ANY PARTY TO ANY ACTION OR PROCEEDING UNDER
17 THE PROVISIONS OF THIS TITLE WHEN SUCH INFORMATION OR FACTS SHOWN THERE-
18 BY ARE DIRECTLY INVOLVED IN SUCH ACTION OR PROCEEDING, IN EITHER OF
19 WHICH EVENTS THE COURT MAY REQUIRE THE PRODUCTION OF, AND MAY ADMIT IN
20 EVIDENCE SO MUCH OF SUCH INFORMATION OR OF THE FACTS SHOWN THEREBY, AS
21 ARE PERTINENT TO THE ACTION OR PROCEEDING AND NO MORE. NOTHING HEREIN
22 SHALL BE CONSTRUED TO PROHIBIT THE INSPECTION BY THE LEGAL REPRESENT-
23 TATIVES OF THE DEPARTMENT OF FINANCE OR THE TAX COMMISSION OF SUCH
24 INFORMATION SUBMITTED BY ANY APPLICANT WHO SHALL BRING AN ACTION TO
25 CORRECT AN ASSESSMENT. NOTHING HEREIN SHALL BE CONSTRUED TO PROHIBIT
26 THE DELIVERY TO AN APPLICANT OR THE APPLICANT'S DULY AUTHORIZED REPRESENTATIVE
27 OF A CERTIFIED COPY OF ANY INFORMATION SUBMITTED BY AN APPLICANT
28 TO THE DEPARTMENT OF FINANCE PURSUANT TO THIS TITLE; OR TO ANY
29 AGENCY OR ANY DEPARTMENT OF ANY CITY HAVING A POPULATION OF ONE MILLION
30 OR MORE PROVIDED THE SAME IS REQUESTED FOR OFFICIAL BUSINESS; NOR TO
31 PROHIBIT THE INSPECTION FOR OFFICIAL BUSINESS OF SUCH INFORMATION BY THE
32 CORPORATION COUNSEL OR OTHER LEGAL REPRESENTATIVES OF A CITY HAVING A
33 POPULATION OF ONE MILLION OR MORE OR BY THE DISTRICT ATTORNEY OF ANY
34 COUNTY WITHIN SUCH CITY; NOR TO PROHIBIT THE PUBLICATION OF STATISTICS
35 SO CLASSIFIED AS TO PREVENT THE IDENTIFICATION OF SUCH INFORMATION OR
36 PARTICULAR ITEMS THEREOF. INFORMATION SUBMITTED BY AN APPLICANT TO THE
37 DEPARTMENT OF FINANCE PURSUANT TO THIS TITLE SHALL NOT BE SUBJECT TO
38 DISCLOSURE PURSUANT TO ARTICLE SIX OF THE PUBLIC OFFICERS LAW.

39 2. ANY VIOLATION OF THE PROVISIONS OF SUBDIVISION ONE OF THIS SECTION
40 SHALL BE PUNISHED BY A FINE NOT EXCEEDING ONE THOUSAND DOLLARS OR BY
41 IMPRISONMENT NOT EXCEEDING ONE YEAR, OR BOTH, AT THE DISCRETION OF THE
42 COURT, AND IF THE OFFENDER BE AN OFFICER OR EMPLOYEE OF THE DEPARTMENT
43 OF FINANCE OR OF THE TAX COMMISSION, THE OFFENDER SHALL BE DISMISSED
44 FROM OFFICE.

45 S 2. This act shall take effect immediately, provided that this act
46 shall be deemed to have been in full force and effect on and after January
47 1, 2008. Any actions, including the promulgation of rules, necessary
48 to carry out the purposes of this act may be taken before the date this
49 act shall have become a law, provided that such rules shall not take
50 effect before the effective date of this act, and provided further that
51 such rules, if necessary to carry out the purposes of this act, may be
52 made retroactive to and deemed to have been in full force and effect on
53 and after January 1, 2008.