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

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I N S E N A T E

June 11, 2012

Introduced by Sen. YOUNG -- 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 exemption from taxation of alterations and improvements to 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 paragraph (a) of subdivision 1 of section 489 of the real property tax law, as amended by chapter 244 of the laws of 2006, is amended to read as follows:

Any city to which the multiple dwelling law is applicable, acting through its local legislative body or other governing agency, is hereby authorized and empowered, to and including June first, two thousand [eleven] FIFTEEN, to adopt and amend local laws or ordinances providing that any increase in assessed valuation of real property shall be exempt from taxation for local purposes, as provided herein, to the extent such increase results from:

S 2. The closing paragraph of subparagraph 6 of paragraph (a) of subdivision 1 of section 489 of the real property tax law, as amended by chapter 244 of the laws of 2006, is amended to read as follows:

Such conversion, alterations or improvements shall be completed within [thirty-six] TWENTY-FOUR months after the date on which same shall be started [except that such thirty-six month limitation shall not apply to conversions of residential units which are registered with the loft board in accordance with article seven-C of the multiple dwelling law pursuant to subparagraph one of this paragraph]. Notwithstanding the foregoing, [a sixty month period for completion shall be available for alterations or improvements undertaken by a housing development fund company organized pursuant to article eleven of the private housing finance law, which are carried out with the substantial assistance of grants, loans or subsidies from any federal, state or local governmental agency or instrumentality or which are carried out in a property transferred from such city if alterations and improvements are completed within seven years after the date of transfer. In addition,] the local housing agency is hereby empowered to grant an extension of the period

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

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of completion for any project carried out with the substantial assistance of grants, loans or subsidies from any federal, state or local governmental agency or instrumentality[, if such alterations or improvements are completed within sixty months from commencement of construction]. Provided, further, that such conversion, alterations or improvements shall in any event be completed prior to December thirty-first, two thousand [eleven] FIFTEEN. Exemption for conversions, alterations or improvements pursuant to subparagraph one, two, three or four of this paragraph shall continue for a period not to exceed fourteen years and begin no sooner than the first quarterly tax bill immediately following the completion of such conversion, alterations or improvements. Exemption for alterations or improvements pursuant to this subparagraph or subparagraph five of this paragraph shall continue for a period not to exceed thirty-four years and shall begin no sooner than the first quarterly tax bill immediately following the completion of such alterations or improvements. Such exemption shall be equal to the increase in the valuation which is subject to exemption in full or proportionally under this subdivision for ten or thirty years, whichever is applicable. After such period of time, the amount of such exempted assessed valuation of such improvements shall be reduced by twenty percent in each succeeding year until the assessed value of the improvements are fully taxable. Provided, however, exemption for any conversion, alterations or improvements which are aided by a loan or grant under article eight, eight-A, eleven, twelve, fifteen or twenty-two of the private housing finance law, section six hundred ninety-six-a or section ninety-nine-h of the general municipal law, or section three hundred twelve of the housing act of nineteen hundred sixty-four (42 U.S.C.A. 1452b), or the Cranston-Gonzalez national affordable housing act (42 U.S.C.A. 12701 et. seq.), or started after July first, nineteen hundred eighty-three by a housing development fund company organized pursuant to article eleven of the private housing finance law which are carried out with the substantial assistance of grants, loans or subsidies from any federal, state or local governmental agency or instrumentality or which are carried out in a property transferred from any city [and where alterations and improvements are completed within seven years after the date of transfer] may commence at the beginning of any tax quarter subsequent to the start of such conversion, alterations or improvements and prior to the completion of such conversion, alterations or improvements.

S 3. Section 489 of the real property tax law is amended by adding four new subdivisions 17, 18, 19 and 20 to read as follows:

17. (A) FOR PURPOSES OF THIS SUBDIVISION, "SUBSTANTIAL GOVERNMENTAL ASSISTANCE" SHALL MEAN:

(I) GRANTS, LOANS OR SUBSIDIES FROM ANY FEDERAL, STATE OR LOCAL AGENCY OR INSTRUMENTALITY IN FURTHERANCE OF A PROGRAM FOR THE DEVELOPMENT OF AFFORDABLE HOUSING APPROVED BY THE LOCAL HOUSING AGENCY, INCLUDING, WITHOUT LIMITATION, FINANCING OR INSURANCE PROVIDED BY THE STATE OF NEW YORK MORTGAGE AGENCY OR THE NEW YORK CITY RESIDENTIAL MORTGAGE INSURANCE CORPORATION; OR

(II) A WRITTEN AGREEMENT BETWEEN A HOUSING DEVELOPMENT FUND CORPORATION AND THE LOCAL HOUSING AGENCY LIMITING THE INCOMES OF PERSONS ENTITLED TO PURCHASE SHARES OR RENT HOUSING ACCOMMODATIONS THEREIN.

(B) ANY LOCAL LAW OR ORDINANCE PROVIDING FOR BENEFITS PURSUANT TO THIS SECTION MUST ALSO PROVIDE THE FOLLOWING WITH RESPECT TO CONVERSIONS, ALTERATIONS OR IMPROVEMENTS COMPLETED ON OR AFTER DECEMBER THIRTY-FIRST, TWO THOUSAND ELEVEN:

(I) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION WITH RESPECT TO MULTIPLE DWELLINGS, BUILDINGS AND STRUCTURES OWNED AND OPERATED EITHER BY LIMITED-PROFIT HOUSING COMPANIES ESTABLISHED PURSUANT TO ARTICLE TWO OF THE PRIVATE HOUSING FINANCE LAW OR REDEVELOPMENT COMPANIES ESTABLISHED PURSUANT TO ARTICLE FIVE OF THE PRIVATE HOUSING FINANCE LAW, OR WITH RESPECT TO A GROUP OF MULTIPLE DWELLINGS THAT WAS DEVELOPED AS A PLANNED COMMUNITY AND THAT IS OWNED AS TWO SEPARATE CONDOMINIUMS CONTAINING A TOTAL OF TEN THOUSAND OR MORE DWELLING UNITS, ANY MULTIPLE DWELLING, BUILDING OR STRUCTURE THAT IS OWNED AS A COOPERATIVE OR A CONDOMINIUM SHALL ONLY BE ELIGIBLE FOR SUCH BENEFITS IF THE ALTERATIONS OR IMPROVEMENTS FOR WHICH SUCH MULTIPLE DWELLING, BUILDING OR STRUCTURE HAS APPLIED FOR THE BENEFITS PURSUANT TO THIS SECTION WERE CARRIED OUT WITH SUBSTANTIAL GOVERNMENTAL ASSISTANCE, AND

(II) NO BENEFITS PURSUANT TO THIS SECTION SHALL BE GRANTED FOR THE CONVERSION OF ANY NON-RESIDENTIAL BUILDING OR STRUCTURE INTO A CLASS A MULTIPLE DWELLING UNLESS SUCH CONVERSION WAS CARRIED OUT WITH SUBSTANTIAL GOVERNMENTAL ASSISTANCE.

18. ANY LOCAL LAW OR ORDINANCE PROVIDING FOR BENEFITS PURSUANT TO THIS SECTION MUST ALSO PROVIDE, WITH RESPECT TO CONVERSIONS, ALTERATIONS OR IMPROVEMENTS FOR WHICH APPLICATION WAS MADE AFTER THE EFFECTIVE DATE OF THIS SUBDIVISION, THAT IF SUCH CONVERSIONS, ALTERATIONS OR IMPROVEMENTS ARE NOT COMPLETED ON THE DATE UPON WHICH SUCH LOCAL HOUSING AGENCY INSPECTS THE ITEMS OF WORK CLAIMED IN SUCH APPLICATION, THE LOCAL HOUSING AGENCY SHALL IMPOSE A PENALTY ON THE APPLICANT EQUAL TO TEN PERCENT OF THE COSTS ASSOCIATED WITH SUCH ITEMS OF WORK AS CLAIMED BY THE APPLICANT IN SUCH APPLICATION FOR BENEFITS PURSUANT TO THIS SECTION.

19. THE REVOCATION OF BENEFITS GRANTED TO ANY MULTIPLE DWELLING, BUILDING OR STRUCTURE PURSUANT TO THIS SECTION SHALL NOT EXEMPT ANY DWELLING UNIT THEREIN FROM CONTINUED COMPLIANCE WITH THE REQUIREMENTS OF THIS SECTION OR OF ANY LOCAL CODE PROVIDING FOR BENEFITS PURSUANT TO THIS SECTION.

20. NOTWITHSTANDING THE PROVISIONS OF ANY GENERAL, SPECIAL OR LOCAL LAW, ANY LOCAL LAW OR ORDINANCE PROVIDING FOR BENEFITS PURSUANT TO THIS SECTION MAY REQUIRE THAT APPLICATIONS FOR EXEMPTION OR ABATEMENT UNDER THIS SECTION THAT ARE FILED ON OR AFTER A DATE SPECIFIED IN SUCH LOCAL LAW OR ORDINANCE BE FILED ELECTRONICALLY.

S 4. Separability. If any clause, sentence, paragraph, section or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder thereof, but shall be confined in this operation to the clause, sentence, paragraph, section or part thereof directly involved in the controversy in which such judgment shall have been rendered.

S 5. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after December 31, 2011, provided that the amendments made to section 489 of the real property tax law by section two of this act shall not be deemed to change the eligibility for benefit pursuant to such section, and any local law or ordinance providing for benefits pursuant to such section, of conversions, alterations or improvements completed before December 31, 2011.