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

7794

I N S E N A T E

June 18, 2012

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 interim multiple dwellings in a city with a population of one million or more

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

Section 1. The provisions of subdivision (c) of section 11-245 of the administrative code of the city of New York shall not be applicable to any multiple dwelling located on lots numbered 13 and 14 of Manhattan block numbered 51, lots numbered 17, 18, and 21 of Manhattan block number 90, lots numbered 7, 8, 10, 11, 57 and 111 of Manhattan block numbered 1010, and lots numbered 33, 34 and 35 of Manhattan block numbered 1259 as such lots and blocks are numbered as of the date this act shall have become law, provided that the construction of such multiple dwellings on those lots commences on or after January 1, 2007, and on or before June 21, 2017, and provided that for all such multiple dwellings the department of housing preservation and development of New York City shall impose a requirement and certify that twenty percent of the units on site are affordable to households of low and moderate income pursuant to subdivision 7 of section 421-a of the real property tax law. The provisions of subdivision (c) of section 11-245 of the administrative code of the city of New York shall not be applicable to any multiple dwelling that is located on lot 10 of Manhattan block number 123, as such lot and block are numbered as of the date this act shall have become law, provided that construction of such multiple dwelling commenced on or after January 1, 2007, and on or before June 21, 2012, and provided further that the individual or agent thereof seeking benefits pursuant to section 421-a of the real property tax law enters into and fulfills the requirements of a memorandum of understanding with the city of New York Department of Housing Preservation and Development to fund in an amount not less than $9 million the construction of affordable rental housing within the City of New York, provided, however, that such amount required shall be reduced by the value of negotiable certificates that the individual or agent thereof

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

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seeking benefits purchased, pursuant to section 6-08 of title 28 of the rules of the city of New York as such rules existed as of the date this act shall have become law, in order to entitle such multiple dwelling to the benefits pursuant to section 421-a of the real property tax law for a specified number of units in the geographic exclusion area, provided that such negotiable certificates were generated by a written agreement with the Department of Housing Preservation and Development, and provided further that, notwithstanding any other provision of law, benefits granted pursuant to section 421-a of the real property tax law for such multiple dwelling shall be granted as if construction commenced as of the date this act shall have become law.

S 2. Subparagraph (i) of paragraph (a) of subdivision 2 of section 421-a of the real property tax law, as amended by section 38 of part B of chapter 97 of the laws of 2011, is amended to read as follows:

(i) Within a city having a population of one million or more, new 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, shall have an additional thirty-six months to complete construction and shall be eligible for full exemption from taxation for the first three years of the period of construction; any eligible project that seeks to utilize the six-year period of construction authorized by this section must apply for a preliminary certificate of eligibility within one year of the effective date of the rent act of 2011, provided, however that such multiple dwellings shall be eligible for a maximum of three years of benefits during the construction period,] 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, shall have an additional thirty-six months to complete construction and shall be eligible for full exemption from taxation for the first three years of the period of construction; any eligible project that seeks to utilize the six-year period of construction authorized by this section must apply for a preliminary certificate of eligibility within one year of the effective date of the rent act of 2011, provided, however that such multiple dwellings shall be eligible for a maximum of three years of benefits during the construction period,] 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 construction commenced between January first, two thousand seven and June thirtieth, two thousand nine (maximum three 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 section 39 of part B of chapter 97 of the laws of 2011, 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, 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, shall have an additional thirty-six months to complete construction and shall be eligible for full exemption from taxation for the first three years of the period of construction; any eligible project that seeks to utilize the six-year period of construction authorized by this section must apply for a preliminary certificate of eligibility within one year of the effective date of the rent act of 2011, provided, however that such multiple dwellings shall be eligible for a maximum of three years of benefits during the construction period,] 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, shall have an additional thirty-six months to complete construction and shall be eligible for full exemption from taxation for the first three years of the period of construction; any eligible project that seeks to utilize the six-year period of construction authorized by this section must apply for a preliminary certificate of eligibility within one year of the effective date of the rent act of 2011, provided, however that such multiple dwellings shall be eligible for a maximum of three years of benefits during the construction period,] 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 (A) of subparagraph (iii) of paragraph (a) of subdivision 2 of section 421-a of the real property tax law, as amended by section 40 of part B of chapter 97 of the laws of 2011, 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, 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, shall have an additional thirty-six months to complete construction and shall be eligible for full exemption from taxation for the first three years of the period of construction; any eligible project that seeks to utilize the six-year period of construction authorized by this section must apply for a preliminary certificate of eligibility within one year of the effective date of the rent act of 2011, provided, however that such multiple dwellings shall be eligible for a maximum of three years of benefits during the construction period,] 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, shall have an additional thirty-six months to complete construction and shall be eligible for full exemption from taxation for the first three years of the period of construction; any eligible project that seeks to utilize the six-year period of construction authorized by this section must apply for a preliminary certificate of eligibility within one year of the effective date of the rent act of 2011, provided, however that such multiple dwellings shall be eligible for a maximum of three years of benefits during the construction period,] 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 5. Severability clause. If any clause, sentence, paragraph, subdivision, section or subpart 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 its operation to the clause, sentence, paragraph, subdivision, section or subpart thereof directly involved in the controversy in which such judgment shall have been rendered. It is hereby declared to be the intent of the legislature that this act would have been enacted even if such invalid provisions had not been included herein.

S 6. This act shall take effect immediately, provided, however, that the provisions of section one of this act shall be deemed to have been in full force and effect on and after December 31, 2007; and provided further, however, that the provisions of sections two, three and four of this act shall be deemed to have been in full force and effect on and after December 28, 2010; and provided that, with respect to any application for a preliminary certificate of eligibility that is filed no later than June 24, 2012, or that is filed for a project that was the subject of mortgage foreclosure proceedings or other lien enforcement litigation by a lender on or before June 24, 2012, such project shall be subject to that portion of the definition of "commence" contained in item (1) of clause (iv) of subparagraph (2) of paragraph (b) of subdivision (a) of section 6-09 of title twenty-eight of the rules of the city of New York.