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2011-2012 Regular Sessions

I N S E N A T E

January 18, 2011

Introduced by Sen. KRUGER -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

AN ACT to amend the private housing finance law, in relation to tax exemption for limited-profit housing companies

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

1 Section 1. Paragraph (a) of subdivision 1 of section 33 of the
2 private housing finance law, as amended by chapter 229 of the laws of
3 1989, is amended to read as follows:
4 (a) Upon the consent of the local legislative body of any munici-
5 pality in which a project is or is to be located, the real property in a
6 project shall be exempt from local and municipal taxes, other than
7 assessments for local improvements, to the extent of all or part of the
8 value of the property included in such project which represents an
9 increase over the assessed valuation of the real property, both land and
10 improvements, acquired for the project at the time of its acquisition by
11 the limited-profit housing company, provided, however, that the real
12 property in a project acquired for purposes of rehabilitation shall be
13 exempt to the extent of all or part of the value of the property
14 included in such project, and further provided that the amount of such
15 taxes to be paid shall not be less than ten per centum of the annual
16 shelter rent or carrying charges of such project except that for
17 projects located or to be located in a city of a population of one
18 million or more, upon the consent of the local legislative body of the
19 municipality, the amount of such taxes to be paid may be set at not less
20 than (i) the taxes payable with respect to the real property in such
21 project with respect to the year nineteen hundred seventy-three, or,
22 (ii) if such project was not occupied in such year, not less than ten
23 per centum of the annual shelter rent or carrying charges first estab-
24 lished pursuant to subdivision one of section thirty-one of this arti-

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

LBD07453-01-1

1 cle. Shelter rent shall mean the total rents received from the occupants
2 of a project BEFORE THE INCREASE THEREOF DUE TO SHELTER RENT TAXES less
3 the cost of providing to the occupants electricity, gas, heat and other
4 utilities. Total rents shall include rent supplements and subsidies
5 received from the federal government, the state or a municipality on
6 behalf of such occupants, but shall not include interest reduction
7 payments pursuant to subdivision (a) of section two hundred one of the
8 Federal Housing and Urban Development Act of nineteen hundred sixty-
9 eight. The tax exemption shall operate and continue so long as the mort-
10 gage loans of the company, including any additional mortgage loan the
11 proceeds of which are used primarily for the residential portion of the
12 project, which additional loan is approved by the commissioner or the
13 supervising agency, are outstanding.

14 S 2. This act shall take effect immediately.