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

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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:

Section 1. Paragraph (a) of subdivision 1 of section 33 of the private housing finance law, as amended by chapter 229 of the laws of 1989, is amended to read as follows:

(a) Upon the consent of the local legislative body of any municipality in which a project is or is to be located, the real property in a project shall be exempt from local and municipal taxes, other than assessments for local improvements, to the extent of 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 limited-profit housing company, provided, however, that the real property in a project acquired for purposes of rehabilitation shall be exempt to the extent of all or part of the value of the property included in such project, and further provided 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 project except that for projects located or to be located in a city of a population of one million or more, upon the consent of the local legislative body of the municipality, the amount of such taxes to be paid may be set at not less than (i) the taxes payable with respect to the real property in such project with respect to the year nineteen hundred seventy-three, or, (ii) if such project was not occupied in such year, not less than ten per centum of the annual shelter rent or carrying charges first established 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.

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

S 2. This act shall take effect immediately.