

7649

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:

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

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

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

14 Such conversion, alterations or improvements shall be completed within
15 [thirty-six] TWENTY-FOUR months after the date on which same shall be
16 started [except that such thirty-six month limitation shall not apply to
17 conversions of residential units which are registered with the loft
18 board in accordance with article seven-C of the multiple dwelling law
19 pursuant to subparagraph one of this paragraph]. Notwithstanding the
20 foregoing, [a sixty month period for completion shall be available for
21 alterations or improvements undertaken by a housing development fund
22 company organized pursuant to article eleven of the private housing
23 finance law, which are carried out with the substantial assistance of
24 grants, loans or subsidies from any federal, state or local governmental
25 agency or instrumentality or which are carried out in a property trans-
26 ferred from such city if alterations and improvements are completed
27 within seven years after the date of transfer. In addition,] the local
28 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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1 of completion for any project carried out with the substantial assist-
2 ance of grants, loans or subsidies from any federal, state or local
3 governmental agency or instrumentality[, if such alterations or improve-
4 ments are completed within sixty months from commencement of
5 construction]. Provided, further, that such conversion, alterations or
6 improvements shall in any event be completed prior to December thirty-
7 first, two thousand [eleven] FIFTEEN. Exemption for conversions, alter-
8 ations or improvements pursuant to subparagraph one, two, three or four
9 of this paragraph shall continue for a period not to exceed fourteen
10 years and begin no sooner than the first quarterly tax bill immediately
11 following the completion of such conversion, alterations or improve-
12 ments. Exemption for alterations or improvements pursuant to this
13 subparagraph or subparagraph five of this paragraph shall continue for a
14 period not to exceed thirty-four years and shall begin no sooner than
15 the first quarterly tax bill immediately following the completion of
16 such alterations or improvements. Such exemption shall be equal to the
17 increase in the valuation which is subject to exemption in full or
18 proportionally under this subdivision for ten or thirty years, whichever
19 is applicable. After such period of time, the amount of such exempted
20 assessed valuation of such improvements shall be reduced by twenty
21 percent in each succeeding year until the assessed value of the improve-
22 ments are fully taxable. Provided, however, exemption for any conver-
23 sion, alterations or improvements which are aided by a loan or grant
24 under article eight, eight-A, eleven, twelve, fifteen or twenty-two of
25 the private housing finance law, section six hundred ninety-six-a or
26 section ninety-nine-h of the general municipal law, or section three
27 hundred twelve of the housing act of nineteen hundred sixty-four (42
28 U.S.C.A. 1452b), or the Cranston-Gonzalez national affordable housing
29 act (42 U.S.C.A. 12701 et. seq.), or started after July first, nineteen
30 hundred eighty-three by a housing development fund company organized
31 pursuant to article eleven of the private housing finance law which are
32 carried out with the substantial assistance of grants, loans or subsi-
33 dies from any federal, state or local governmental agency or instrumen-
34 tality or which are carried out in a property transferred from any city
35 [and where alterations and improvements are completed within seven years
36 after the date of transfer] may commence at the beginning of any tax
37 quarter subsequent to the start of such conversion, alterations or
38 improvements and prior to the completion of such conversion, alterations
39 or improvements.

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

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

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

50 (II) A WRITTEN AGREEMENT BETWEEN A HOUSING DEVELOPMENT FUND CORPO-
51 RATION AND THE LOCAL HOUSING AGENCY LIMITING THE INCOMES OF PERSONS
52 ENTITLED TO PURCHASE SHARES OR RENT HOUSING ACCOMMODATIONS THEREIN.

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

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

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

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

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

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

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

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