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

7737

I N S E N A T E

June 15, 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 restoration of tax exemption benefits to high density zoning districts, tax exemption benefits for new multiple dwellings and an exemption for certain multiple dwellings

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

Section 1. Subdivision 2 of section 421-a of the real property tax law is amended by adding a new paragraph (j) to read as follows:

(J) 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 WHICH CONSTRUCTION COMMENCED ON OR AFTER DECEMBER THIRTY-FIRST, TWO THOUSAND SEVEN PROVIDED THAT SUCH MULTIPLE DWELLING (I) IS LOCATED ON A TAX LOT EXISTING OR CREATED IN THE BOROUGH OF MANHATTAN NORTH OF A LINE DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF VESEY STREET AND NORTH END AVENUE, THENCE EASTERLY ALONG VESEY STREET TO BROADWAY, THENCE SOUTHERLY ALONG BROADWAY TO FULTON STREET, THENCE EASTERLY ALONG FULTON STREET TO THE INTERSECTION WITH WATER STREET, THENCE EASTERLY ALONG FORMER FULTON STREET TO THE EAST RIVER PIERHEAD LINE; OR (II) LOCATED ON A TAX LOT EXISTING OR CREATED THAT IS LOCATED ENTIRELY WITHIN THE GEOGRAPHIC AREA IN THE BOROUGH OF MANHATTAN DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF WEST STREET AND ALBANY STREET, THENCE EASTERLY ALONG ALBANY STREET TO GREENWICH STREET, THENCE NORTHERLY ON GREENWICH STREET TO CEDAR STREET, THENCE EASTERLY ON CEDAR STREET TO BROADWAY, THENCE SOUTHERLY ALONG BROADWAY TO BATTERY PLACE, THENCE WESTERLY ALONG BATTERY PLACE TO WEST STREET, THENCE NORTHERLY ALONG WEST STREET TO THE POINT OF BEGINNING.

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

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

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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)[;]	100%
[except construction commenced between January first, two thousand seven and June thirtieth, two thousand nine (maximum three years)]	
Following completion of work Year:	
1	100%

1	2	100
2	3	80
3	4	80
4	5	60
5	6	60
6	7	40
7	8	40
8	9	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. This act shall take effect immediately; except that section one of this act shall be deemed to have been in full force and effect on and after December 31, 2007; 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.