

5797

2013-2014 Regular Sessions

I N   S E N A T E

June 14, 2013

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Introduced by Sen. GOLDEN -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the tax law, in relation to exempting tangible personal property purchased by a tenant for use directly and exclusively to furnish and equip the tenant's leased premises for use as a commercial office space; and to amend part C of chapter 2 of the laws of 2005 amending the tax law relating to exemptions from sales and use taxes, in relation to the effectiveness thereof (Part A); to amend the real property tax law and the administrative code of the city of New York, in relation to extending a real property tax abatement program for certain commercial properties in cities having a population of one million or more and in relation to extending a special reduction under the commercial rent tax in the city of New York (Part B); to amend the real property tax law and the administrative code of the city of New York, in relation to applications for tax abatements for industrial and commercial construction work on properties in a city of one million or more persons (Part C); to amend the general city law and the administrative code of the city of New York, in relation to extending the relocation and employment assistance program and the Lower Manhattan relocation and employment assistance program (Part D); to amend the general city law and the administrative code of the city of New York, in relation to extending the special rebates and discounts provided pursuant to the energy cost savings program and the Lower Manhattan energy program (Part E); to amend the administrative code of the city of New York, in relation to the amount of special reduction allowed (Part F); and to amend the real property tax law, in relation to a real estate tax abatement program for certain commercial, industrial and manufacturing properties in a city of one million or more persons (Part G)

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

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

LBD11345-05-3

1 Section 1. This act enacts into law major components of legislation  
2 relating to lower Manhattan. Each component is wholly contained within  
3 a Part identified as Parts A through G. The effective date for each  
4 particular provision contained within such Part is set forth in the last  
5 section of such Part. Any provision in any section contained within a  
6 Part, including the effective date of the Part, which makes a reference  
7 to a section "of this act", when used in connection with that particular  
8 component, shall be deemed to mean and refer to the corresponding  
9 section of the Part in which it is found. Section three of this act sets  
10 forth the general effective date of this act.

11 PART A

12 Section 1. Subparagraph (A) of paragraph 7 of subdivision (ee) of  
13 section 1115 of the tax law, as amended by chapter 203 of the laws of  
14 2009 is amended to read as follows:

15 (A) "Tenant" means a person who, as lessee, enters into a space lease  
16 with a landlord for a term of ten years or more commencing on or after  
17 September first, two thousand five, but not later than, in the case of a  
18 space lease with respect to leased premises located in eligible areas as  
19 defined in clause (i) of subparagraph (D) of this paragraph, September  
20 first, two thousand thirteen and, in the case of a space lease with  
21 respect to leased premises located in eligible areas as defined in  
22 clause (ii) of subparagraph (D) of this paragraph not later than Septem-  
23 ber first, two thousand fifteen, of premises for use as commercial  
24 office space in buildings located or to be located in the eligible  
25 areas. NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, COMMENCING  
26 AFTER SEPTEMBER FIRST, TWO THOUSAND THIRTEEN, "TENANT" MEANS A PERSON  
27 WHO, AS LESSEE, ENTERS INTO A SPACE LEASE WITH A LANDLORD FOR A TERM OF  
28 FIVE YEARS OR MORE, BUT NOT LATER THAN, IN THE CASE OF A SPACE LEASE  
29 WITH RESPECT TO LEASED PREMISES LOCATED IN ELIGIBLE AREAS AS DEFINED IN  
30 CLAUSE (I) OF SUBPARAGRAPH (D) OF THIS PARAGRAPH, SEPTEMBER FIRST, TWO  
31 THOUSAND FIFTEEN AND, IN THE CASE OF A SPACE LEASE WITH RESPECT TO  
32 LEASED PREMISES LOCATED IN ELIGIBLE AREAS AS DEFINED IN CLAUSE (II) OF  
33 SUBPARAGRAPH (D) OF THIS PARAGRAPH NOT LATER THAN SEPTEMBER FIRST, TWO  
34 THOUSAND SEVENTEEN, OF PREMISES FOR USE AS COMMERCIAL OFFICE SPACE IN  
35 BUILDINGS LOCATED OR TO BE LOCATED IN THE ELIGIBLE AREAS.

36 A person who currently occupies premises for use as commercial office  
37 space under an existing lease in a building in the eligible areas shall  
38 not be eligible for exemption under this subdivision unless such exist-  
39 ing lease, in the case of a space lease with respect to leased premises  
40 located in eligible areas as defined in clause (i) of subparagraph (D)  
41 of this paragraph expires according to its terms before September first,  
42 two thousand thirteen or such existing lease, in the case of a space  
43 lease with respect to leased premises located in eligible areas as  
44 defined in clause (ii) of subparagraph (D) of this paragraph and such  
45 person enters into a space lease, for a term of ten years or more  
46 commencing on or after September first, two thousand five, of premises  
47 for use as commercial office space in a building located or to be  
48 located in the eligible areas, provided that such space lease with  
49 respect to leased premises located in eligible areas as defined in  
50 clause (i) of subparagraph (D) of this paragraph commences no later than  
51 September first, two thousand thirteen, and provided that such space  
52 lease with respect to leased premises located in eligible areas as  
53 defined in clause (ii) of subparagraph (D) of this paragraph commences  
54 no later than September first, two thousand fifteen and provided,

1 further, that such space lease shall expire no earlier than ten years  
2 after the expiration of the original lease. NOTWITHSTANDING ANY  
3 PROVISION OF LAW TO THE CONTRARY, AFTER SEPTEMBER FIRST, TWO THOUSAND  
4 THIRTEEN, A TENANT WHO CURRENTLY OCCUPIES PREMISES FOR USE AS COMMERCIAL  
5 OFFICE SPACE UNDER AN EXISTING LEASE IN A BUILDING IN THE ELIGIBLE AREAS  
6 SHALL NOT BE ELIGIBLE FOR EXEMPTION UNDER THIS SUBDIVISION UNLESS SUCH  
7 EXISTING LEASE, IN THE CASE OF A SPACE LEASE WITH RESPECT TO LEASED  
8 PREMISES LOCATED IN ELIGIBLE AREAS AS DEFINED IN CLAUSE (I) OF SUBPARA-  
9 GRAPH (D) OF THIS PARAGRAPH EXPIRES ACCORDING TO ITS TERMS BEFORE  
10 SEPTEMBER FIRST, TWO THOUSAND FIFTEEN OR SUCH EXISTING LEASE, IN THE  
11 CASE OF A SPACE LEASE WITH RESPECT TO LEASED PREMISES LOCATED IN ELIGI-  
12 BLE AREAS AS DEFINED IN CLAUSE (II) OF SUBPARAGRAPH (D) OF THIS PARA-  
13 GRAPH EXPIRES ACCORDING TO ITS TERMS BEFORE SEPTEMBER FIRST, TWO THOU-  
14 SAND SEVENTEEN, PROVIDED THAT SUCH SPACE LEASE WITH RESPECT TO LEASED  
15 PREMISES LOCATED IN ELIGIBLE AREAS AS DEFINED IN CLAUSE (I) OF SUBPARA-  
16 GRAPH (D) OF THIS PARAGRAPH COMMENCES NO LATER THAN SEPTEMBER FIRST, TWO  
17 THOUSAND FIFTEEN, AND PROVIDED THAT SUCH SPACE LEASE WITH RESPECT TO  
18 LEASED PREMISES LOCATED IN ELIGIBLE AREAS AS DEFINED IN CLAUSE (II) OF  
19 SUBPARAGRAPH (D) OF THIS PARAGRAPH COMMENCES NO LATER THAN SEPTEMBER  
20 FIRST, TWO THOUSAND SEVENTEEN AND PROVIDED, FURTHER, THAT SUCH SPACE  
21 LEASE SHALL EXPIRE NO EARLIER THAN FIVE YEARS AFTER THE EXPIRATION ON  
22 THE ORIGINAL LEASE.

23 S 2. Section 2 of part C of chapter 2 of the laws of 2005 amending the  
24 tax law relating to exemptions from sales and use taxes, as amended by  
25 chapter 203 of the laws of 2009, is amended to read as follows:

26 S 2. This act shall take effect September 1, 2005 and shall expire and  
27 be deemed repealed on December 1, [2016] 2018, and shall apply to sales  
28 made, uses occurring and services rendered on or after such effective  
29 date, in accordance with the applicable transitional provisions of  
30 sections 1106 and 1217 of the tax law; except that clause (i) of subpar-  
31 agraph (D) of paragraph seven of subdivision (ee) of section 1115 of the  
32 tax law, as added by section one of this act, shall expire and be deemed  
33 repealed December 1, [2014] 2016.

34 S 3. This act shall take effect immediately; provided, however, that  
35 the amendments to subparagraph (A) of paragraph 7 of subdivision (ee) of  
36 section 1115 of the tax law made by section one of this act shall not  
37 affect the repeal of such subdivision and shall be deemed repealed ther-  
38 ewith.

39

## PART B

40 Section 1. Subdivisions 5 and 9 of section 499-a of the real property  
41 tax law, as amended by chapter 22 of the laws of 2010, are amended to  
42 read as follows:

43 5. "Benefit period." The period commencing with the first day of the  
44 month immediately following the rent commencement date and terminating  
45 no later than sixty months thereafter, provided, however, that with  
46 respect to a lease commencing on or after April first, nineteen hundred  
47 ninety-seven with an initial lease term of less than five years, but not  
48 less than three years, the period commencing with the first day of the  
49 month immediately following the rent commencement date and terminating  
50 no later than thirty-six months thereafter. Notwithstanding the forego-  
51 ing sentence, a benefit period shall expire no later than March thirty-  
52 first, two thousand [twenty] TWENTY-TWO.

1 9. "Eligibility period." The period commencing April first, nineteen  
2 hundred ninety-five and terminating March thirty-first, two thousand  
3 [fourteen] SIXTEEN.

4 S 2. Paragraph (a) of subdivision 3 of section 499-c of the real prop-  
5 erty tax law, as amended by chapter 22 of the laws of 2010, is amended  
6 to read as follows:

7 (a) For purposes of determining whether the amount of expenditures  
8 required by subdivision one of this section have been satisfied, expend-  
9 itures on improvements to the common areas of an eligible building shall  
10 be included only if work on such improvements commenced and the expendi-  
11 tures are made on or after April first, nineteen hundred ninety-five and  
12 on or before September thirtieth, two thousand [fourteen] SIXTEEN;  
13 provided, however, that expenditures on improvements to the common areas  
14 of an eligible building made prior to three years before the lease  
15 commencement date shall not be included.

16 S 3. Subdivision 8 of section 499-d of the real property tax law, as  
17 amended by chapter 22 of the laws of 2010, is amended to read as  
18 follows:

19 8. Leases commencing on or after April first, nineteen hundred nine-  
20 ty-seven shall be subject to the provisions of this title as amended by  
21 chapter six hundred twenty-nine of the laws of nineteen hundred ninety-  
22 seven, chapter one hundred eighteen of the laws of two thousand one,  
23 chapter four hundred forty of the laws of two thousand three, chapter  
24 sixty of the laws of two thousand seven [and the], chapter TWENTY-TWO of  
25 the laws of two thousand ten [that added this phrase] AND THE CHAPTER OF  
26 THE LAWS OF TWO THOUSAND THIRTEEN THAT ADDED THIS PHRASE. Notwithstand-  
27 ing any other provision of law to the contrary, with respect to leases  
28 commencing on or after April first, nineteen hundred ninety-seven, an  
29 application for a certificate of abatement shall be considered timely  
30 filed if filed within one hundred eighty days following the lease  
31 commencement date or within sixty days following the date chapter six  
32 hundred twenty-nine of the laws of nineteen hundred ninety-seven became  
33 a law, whichever is later.

34 S 4. Subparagraph (a) of paragraph 2 of subdivision i of section  
35 11-704 of the administrative code of the city of New York, as amended by  
36 chapter 22 of the laws of 2010, is amended to read as follows:

37 (a) An eligible tenant of eligible taxable premises shall be allowed a  
38 special reduction in determining the taxable base rent for such eligible  
39 taxable premises. Such special reduction shall be allowed with respect  
40 to the rent for such eligible taxable premises for a period not exceed-  
41 ing sixty months or, with respect to a lease commencing on or after  
42 April first, nineteen hundred ninety-seven with an initial lease term of  
43 less than five years, but not less than three years, for a period not  
44 exceeding thirty-six months, commencing on the rent commencement date  
45 applicable to such eligible taxable premises, provided, however, that in  
46 no event shall any special reduction be allowed for any period beginning  
47 after March thirty-first, two thousand [twenty] TWENTY-TWO. For  
48 purposes of applying such special reduction, the base rent for the base  
49 year shall, where necessary to determine the amount of the special  
50 reduction allowable with respect to any number of months falling within  
51 a tax period, be prorated by dividing the base rent for the base year by  
52 twelve and multiplying the result by such number of months.

53 S 5. This act shall take effect immediately.

1 Section 1. Paragraph (a) of subdivision 1 of section 489-ddddddd of the  
2 real property tax law, as amended by chapter 28 of the laws of 2011, is  
3 amended to read as follows:

4 (a) Application for benefits pursuant to this title may be made imme-  
5 diately following the effective date of a local law enacted pursuant to  
6 this title and continuing until March first, two thousand [fifteen]  
7 SEVENTEEN.

8 S 2. Subdivision 3 of section 489-ddddddd of the real property tax  
9 law, as added by chapter 28 of the laws of 2011, is amended to read as  
10 follows:

11 3. (a) No benefits pursuant to this title shall be granted for  
12 construction work performed pursuant to a building permit issued after  
13 April first, two thousand [fifteen] SEVENTEEN.

14 (b) If no building permit was required, then no benefits pursuant to  
15 this title shall be granted for construction work that is commenced  
16 after April first, two thousand [fifteen] SEVENTEEN.

17 S 3. Paragraph 1 of subdivision a of section 11-271 of the adminis-  
18 trative code of the city of New York, as amended by chapter 28 of the  
19 laws of 2011, is amended to read as follows:

20 (1) Application for benefits pursuant to this part may be made imme-  
21 diately following the effective date of the local law that added this  
22 section and continuing until March first, two thousand [fifteen] SEVEN-  
23 TEEN.

24 S 4. Subdivision c of section 11-271 of the administrative code of  
25 the city of New York, as added by chapter 28 of the laws of 2011, is  
26 amended to read as follows:

27 c. (1) No benefits pursuant to this part shall be granted for  
28 construction work performed pursuant to a building permit issued after  
29 April first, two thousand [fifteen] SEVENTEEN.

30 (2) If no building permit was required, then no benefits pursuant to  
31 this part shall be granted for construction work that is commenced after  
32 April first, two thousand [fifteen] SEVENTEEN.

33 S 5. This act shall take effect immediately.

34 PART D

35 Section 1. Subdivision (b) of section 25-z of the general city law, as  
36 amended by chapter 131 of the laws of 2008, is amended to read as  
37 follows:

38 (b) No eligible business shall be authorized to receive a credit under  
39 any local law enacted pursuant to this article until the premises with  
40 respect to which it is claiming the credit meet the requirements in the  
41 definition of eligible premises and until it has obtained a certifi-  
42 cation of eligibility from the mayor of such city or an agency desig-  
43 nated by such mayor, and an annual certification from such mayor or an  
44 agency designated by such mayor as to the number of eligible aggregate  
45 employment shares maintained by such eligible business that may qualify  
46 for obtaining a tax credit for the eligible business' taxable year. Any  
47 written documentation submitted to such mayor or such agency or agencies  
48 in order to obtain any such certification shall be deemed a written  
49 instrument for purposes of section 175.00 of the penal law. Such local  
50 law may provide for application fees to be determined by such mayor or  
51 such agency or agencies. No such certification of eligibility shall be  
52 issued under any local law enacted pursuant to this article to an eligi-  
53 ble business on or after July first, two thousand [thirteen] FIFTEEN  
54 unless:

1 (1) prior to such date such business has purchased, leased or entered  
2 into a contract to purchase or lease particular premises or a parcel on  
3 which will be constructed such premises or already owned such premises  
4 or parcel;

5 (2) prior to such date improvements have been commenced on such prem-  
6 ises or parcel, which improvements will meet the requirements of subdivi-  
7 sion (e) of section twenty-five-y of this article relating to expendi-  
8 tures for improvements;

9 (3) prior to such date such business submits a preliminary application  
10 for a certification of eligibility to such mayor or such agency or agen-  
11 cies with respect to a proposed relocation to such particular premises;  
12 and

13 (4) such business relocates to such particular premises not later than  
14 thirty-six months or, in a case in which the expenditures made for the  
15 improvements specified in paragraph two of this subdivision are in  
16 excess of fifty million dollars within seventy-two months from the date  
17 of submission of such preliminary application.

18 S 2. Subdivision (b) of section 25-ee of the general city law, as  
19 amended by chapter 131 of the laws of 2008, is amended to read as  
20 follows:

21 (b) No eligible business or special eligible business shall be author-  
22 ized to receive a credit against tax under any local law enacted pursu-  
23 ant to this article until the premises with respect to which it is  
24 claiming the credit meet the requirements in the definition of eligible  
25 premises and until it has obtained a certification of eligibility from  
26 the mayor of such city or any agency designated by such mayor, and an  
27 annual certification from such mayor or an agency designated by such  
28 mayor as to the number of eligible aggregate employment shares main-  
29 tained by such eligible business or such special eligible business that  
30 may qualify for obtaining a tax credit for the eligible business' taxa-  
31 ble year. No special eligible business shall be authorized to receive a  
32 credit against tax under the provisions of this article unless the  
33 number of relocated employee base shares calculated pursuant to subdivi-  
34 sion (o) of section twenty-five-dd of this article is equal to or great-  
35 er than the lesser of twenty-five percent of the number of New York city  
36 base shares calculated pursuant to subdivision (p) of such section and  
37 two hundred fifty employment shares. Any written documentation submitted  
38 to such mayor or such agency or agencies in order to obtain any such  
39 certification shall be deemed a written instrument for purposes of  
40 section 175.00 of the penal law. Such local law may provide for applica-  
41 tion fees to be determined by such mayor or such agency or agencies. No  
42 certification of eligibility shall be issued under any local law enacted  
43 pursuant to this article to an eligible business on or after July first,  
44 two thousand [thirteen] FIFTEEN unless:

45 (1) prior to such date such business has purchased, leased or entered  
46 into a contract to purchase or lease premises in the eligible Lower  
47 Manhattan area or a parcel on which will be constructed such premises;

48 (2) prior to such date improvements have been commenced on such prem-  
49 ises or parcel, which improvements will meet the requirements of subdivi-  
50 sion (e) of section twenty-five-dd of this article relating to expendi-  
51 tures for improvements;

52 (3) prior to such date such business submits a preliminary application  
53 for a certification of eligibility to such mayor or such agency or agen-  
54 cies with respect to a proposed relocation to such premises; and

55 (4) such business relocates to such premises as provided in subdivi-  
56 sion (j) of section twenty-five-dd of this article not later than thir-

1 ty-six months or, in a case in which the expenditures made for the  
2 improvements specified in paragraph two of this subdivision are in  
3 excess of fifty million dollars within seventy-two months from the date  
4 of submission of such preliminary application.

5 S 3. Subdivision (b) of section 22-622 of the administrative code of  
6 the city of New York, as amended by chapter 131 of the laws of 2008, is  
7 amended to read as follows:

8 (b) No eligible business shall be authorized to receive a credit  
9 against tax or a reduction in base rent subject to tax under the  
10 provisions of this chapter, and of title eleven of the code as described  
11 in subdivision (a) of this section, until the premises with respect to  
12 which it is claiming the credit meet the requirements in the definition  
13 of eligible premises and until it has obtained a certification of eligi-  
14 bility from the mayor or an agency designated by the mayor, and an annu-  
15 al certification from the mayor or an agency designated by the mayor as  
16 to the number of eligible aggregate employment shares maintained by such  
17 eligible business that may qualify for obtaining a tax credit for the  
18 eligible business' taxable year. Any written documentation submitted to  
19 the mayor or such agency or agencies in order to obtain any such certif-  
20 ication shall be deemed a written instrument for purposes of section  
21 175.00 of the penal law. Application fees for such certifications shall  
22 be determined by the mayor or such agency or agencies. No certification  
23 of eligibility shall be issued to an eligible business on or after July  
24 first, two thousand [thirteen] FIFTEEN unless:

25 (1) prior to such date such business has purchased, leased or entered  
26 into a contract to purchase or lease particular premises or a parcel on  
27 which will be constructed such premises or already owned such premises  
28 or parcel;

29 (2) prior to such date improvements have been commenced on such prem-  
30 ises or parcel which improvements will meet the requirements of subdivi-  
31 sion (e) of section 22-621 of this chapter relating to expenditures for  
32 improvements;

33 (3) prior to such date such business submits a preliminary application  
34 for a certification of eligibility to such mayor or such agency or agen-  
35 cies with respect to a proposed relocation to such particular premises;  
36 and

37 (4) such business relocates to such particular premises not later than  
38 thirty-six months or, in a case in which the expenditures made for  
39 improvements specified in paragraph two of this subdivision are in  
40 excess of fifty million dollars within seventy-two months from the date  
41 of submission of such preliminary application.

42 S 4. Subdivision (b) of section 22-624 of the administrative code of  
43 the city of New York, as amended by chapter 131 of the laws of 2008, is  
44 amended to read as follows:

45 (b) No eligible business or special eligible business shall be author-  
46 ized to receive a credit against tax under the provisions of this chap-  
47 ter, and of title eleven of the code as described in subdivision (a) of  
48 this section, until the premises with respect to which it is claiming  
49 the credit meet the requirements in the definition of eligible premises  
50 and until it has obtained a certification of eligibility from the mayor  
51 or an agency designated by the mayor, and an annual certification from  
52 the mayor or an agency designated by the mayor as to the number of  
53 eligible aggregate employment shares maintained by such eligible busi-  
54 ness or special eligible business that may qualify for obtaining a tax  
55 credit for the eligible business' taxable year. No special eligible  
56 business shall be authorized to receive a credit against tax under the

1 provisions of this chapter and of title eleven of the code unless the  
2 number of relocated employee base shares calculated pursuant to subdivi-  
3 sion (o) of section 22-623 of this chapter is equal to or greater than  
4 the lesser of twenty-five percent of the number of New York city base  
5 shares calculated pursuant to subdivision (p) of such section 22-623,  
6 and two hundred fifty employment shares. Any written documentation  
7 submitted to the mayor or such agency or agencies in order to obtain any  
8 such certification shall be deemed a written instrument for purposes of  
9 section 175.00 of the penal law. Application fees for such certifi-  
10 cations shall be determined by the mayor or such agency or agencies. No  
11 certification of eligibility shall be issued to an eligible business on  
12 or after July first, two thousand [thirteen] FIFTEEN unless:

13 (1) prior to such date such business has purchased, leased or entered  
14 into a contract to purchase or lease premises in the eligible Lower  
15 Manhattan area or a parcel on which will be constructed such premises;

16 (2) prior to such date improvements have been commenced on such prem-  
17 ises or parcel, which improvements will meet the requirements of subdivi-  
18 sion (e) of section 22-623 of this chapter relating to expenditures  
19 for improvements;

20 (3) prior to such date such business submits a preliminary application  
21 for a certification of eligibility to such mayor or such agency or agen-  
22 cies with respect to a proposed relocation to such premises; and

23 (4) such business relocates to such premises not later than thirty-six  
24 months or, in a case in which the expenditures made for the improvements  
25 specified in paragraph two of this subdivision are in excess of fifty  
26 million dollars within seventy-two months from the date of submission of  
27 such preliminary application.

28 S 5. This act shall take effect immediately.

29

## PART E

30 Section 1. Paragraph 1 of subdivision (b) of section 25-s of the  
31 general city law, as amended by chapter 406 of the laws of 2010, is  
32 amended to read as follows:

33 (1) non-residential premises that are wholly contained in property  
34 that is eligible to obtain benefits under title two-D or two-F of arti-  
35 cle four of the real property tax law, or would be eligible to receive  
36 benefits under such article except that such property is exempt from  
37 real property taxation and the requirements of paragraph (b) of subdivi-  
38 sion seven of section four hundred eighty-nine-dddd of such title two-D,  
39 or the requirements of subparagraph (ii) of paragraph (b) of subdivision  
40 five of section four hundred eighty-nine-cccccc of such title two-F,  
41 whichever is applicable, have not been satisfied, provided that applica-  
42 tion for such benefits was made after May third, nineteen hundred eight-  
43 y-five and prior to July first, two thousand [thirteen] FIFTEEN, that  
44 construction or renovation of such premises was described in such appli-  
45 cation, that such premises have been substantially improved by such  
46 construction or renovation so described, that the minimum required  
47 expenditure as defined in such title two-D or two-F, whichever is appli-  
48 cable, has been made, and that such real property is located in an  
49 eligible area; or

50 S 2. Paragraph 3 of subdivision (b) of section 25-s of the general  
51 city law, as amended by chapter 406 of the laws of 2010, is amended to  
52 read as follows:

53 (3) non-residential premises that are wholly contained in real proper-  
54 ty that has obtained approval after October thirty-first, two thousand



1 and prior to July first, two thousand [thirteen] FIFTEEN for financing  
2 by an industrial development agency established pursuant to article  
3 eighteen-A of the general municipal law, provided that such financing  
4 has been used in whole or in part to substantially improve such premises  
5 (by construction or renovation), and that expenditures have been made  
6 for improvements to such real property in excess of ten per centum of  
7 the value at which such real property was assessed for tax purposes for  
8 the tax year in which such improvements commenced, that such expendi-  
9 tures have been made within thirty-six months after the earlier of (i)  
10 the issuance by such agency of bonds for such financing, or (ii) the  
11 conveyance of title to such property to such agency, and that such real  
12 property is located in an eligible area; or

13 S 3. Paragraph 5 of subdivision (b) of section 25-s of the general  
14 city law, as amended by chapter 406 of the laws of 2010, is amended to  
15 read as follows:

16 (5) non-residential premises that are wholly contained in real proper-  
17 ty owned by such city or the New York state urban development corpo-  
18 ration, or a subsidiary thereof, a lease for which was approved in  
19 accordance with the applicable provisions of the charter of such city or  
20 by the board of directors of such corporation, and such approval was  
21 obtained after October thirty-first, two thousand and prior to July  
22 first, two thousand [thirteen] FIFTEEN, provided, however, that such  
23 premises were constructed or renovated subsequent to such approval, that  
24 expenditures have been made subsequent to such approval for improvements  
25 to such real property (by construction or renovation) in excess of ten  
26 per centum of the value at which such real property was assessed for tax  
27 purposes for the tax year in which such improvements commenced, that  
28 such expenditures have been made within thirty-six months after the  
29 effective date of such lease, and that such real property is located in  
30 an eligible area; or

31 S 4. Paragraph 2 of subdivision (c) of section 25-t of the general  
32 city law, as amended by chapter 406 of the laws of 2010, is amended to  
33 read as follows:

34 (2) No eligible energy user, qualified eligible energy user, on-site  
35 cogenerator, or clean on-site cogenerator shall receive a rebate pursu-  
36 ant to this article until it has obtained a certification from the  
37 appropriate city agency in accordance with a local law enacted pursuant  
38 to this section. No such certification for a qualified eligible energy  
39 user shall be issued on or after November first, two thousand. No such  
40 certification of any other eligible energy user, on-site cogenerator, or  
41 clean on-site cogenerator shall be issued on or after July first, two  
42 thousand [thirteen] FIFTEEN.

43 S 5. Paragraph 1 of subdivision (a) of section 25-aa of the general  
44 city law, as amended by chapter 406 of the laws of 2010, is amended to  
45 read as follows:

46 (1) is eligible to obtain benefits under title two-D or two-F of arti-  
47 cle four of the real property tax law, or would be eligible to receive  
48 benefits under such title except that such property is exempt from real  
49 property taxation and the requirements of paragraph (b) of subdivision  
50 seven of section four hundred eighty-nine-dddd of such title two-D, or  
51 the requirements of subparagraph (ii) of paragraph (b) of subdivision  
52 five of section four hundred eighty-nine-ccccc of such title two-F,  
53 whichever is applicable, of the real property tax law have not been  
54 satisfied, provided that application for such benefits was made after  
55 the thirtieth day of June, nineteen hundred ninety-five and before the  
56 first day of July, two thousand [thirteen] FIFTEEN, that construction or

1 renovation of such building or structure was described in such applica-  
2 tion, that such building or structure has been substantially improved by  
3 such construction or renovation, and (i) that the minimum required  
4 expenditure as defined in such title has been made, or (ii) where there  
5 is no applicable minimum required expenditure, the building was  
6 constructed within such period or periods of time established by title  
7 two-D or two-F, whichever is applicable, of article four of the real  
8 property tax law for construction of a new building or structure; or  
9 S 6. Paragraphs 2 and 3 of subdivision (a) of section 25-aa of the  
10 general city law, as amended by chapter 406 of the laws of 2010, are  
11 amended to read as follows:

12 (2) has obtained approval after the thirtieth day of June, nineteen  
13 hundred ninety-five and before the first day of July, two thousand  
14 [thirteen] FIFTEEN, for financing by an industrial development agency  
15 established pursuant to article eighteen-A of the general municipal law,  
16 provided that such financing has been used in whole or in part to  
17 substantially improve such building or structure by construction or  
18 renovation, that expenditures have been made for improvements to such  
19 real property in excess of twenty per centum of the value at which such  
20 real property was assessed for tax purposes for the tax year in which  
21 such improvements commenced, and that such expenditures have been made  
22 within thirty-six months after the earlier of (i) the issuance by such  
23 agency of bonds for such financing, or (ii) the conveyance of title to  
24 such building or structure to such agency; or

25 (3) is owned by the city of New York or the New York state urban  
26 development corporation, or a subsidiary corporation thereof, a lease  
27 for which was approved in accordance with the applicable provisions of  
28 the charter of such city or by the board of directors of such corpo-  
29 ration, as the case may be, and such approval was obtained after the  
30 thirtieth day of June, nineteen hundred ninety-five and before the first  
31 day of July, two thousand [thirteen] FIFTEEN, provided that expenditures  
32 have been made for improvements to such real property in excess of twen-  
33 ty per centum of the value at which such real property was assessed for  
34 tax purposes for the tax year in which such improvements commenced, and  
35 that such expenditures have been made within thirty-six months after the  
36 effective date of such lease; or

37 S 7. Subdivision (f) of section 25-bb of the general city law, as  
38 amended by chapter 406 of the laws of 2010, is amended to read as  
39 follows:

40 (f) Application and certification. An owner or lessee of a building or  
41 structure located in an eligible revitalization area, or an agent of  
42 such owner or lessee, may apply to such department of small business  
43 services for certification that such building or structure is an eligi-  
44 ble building or targeted eligible building meeting the criteria of  
45 subdivision (a) or (q) of section twenty-five-aa of this article.  
46 Application for such certification must be filed after the thirtieth day  
47 of June, nineteen hundred ninety-five and before a building permit is  
48 issued for the construction or renovation required by such subdivisions  
49 and before the first day of July, two thousand [thirteen] FIFTEEN,  
50 provided that no certification for a targeted eligible building shall be  
51 issued after October thirty-first, two thousand. Such application shall  
52 identify expenditures to be made that will affect eligibility under such  
53 subdivision (a) or (q). Upon completion of such expenditures, an appli-  
54 cant shall supplement such application to provide information (i) estab-  
55 lishing that the criteria of such subdivision (a) or (q) have been met;  
56 (ii) establishing a basis for determining the amount of special rebates,

1 including a basis for an allocation of the special rebate among eligible  
2 revitalization area energy users purchasing or otherwise receiving ener-  
3 gy services from an eligible redistributor of energy or a qualified  
4 eligible redistributor of energy; and (iii) supporting an allocation of  
5 charges for energy services between eligible charges and other charges.  
6 Such department shall certify a building or structure as an eligible  
7 building or targeted eligible building after receipt and review of such  
8 information and upon a determination that such information establishes  
9 that the building or structure qualifies as an eligible building or  
10 targeted eligible building. Such department shall mail such certif-  
11 ication or notice thereof to the applicant upon issuance. Such certif-  
12 ication shall remain in effect provided the eligible redistributor of  
13 energy or qualified eligible redistributor of energy reports any changes  
14 that materially affect the amount of the special rebates to which it is  
15 entitled or the amount of reduction required by subdivision (c) of this  
16 section in an energy services bill of an eligible revitalization area  
17 energy user and otherwise complies with the requirements of this arti-  
18 cle. Such department shall notify the private utility or public utility  
19 service required to make a special rebate to such redistributor of the  
20 amount of such special rebate established at the time of certification  
21 and any changes in such amount and any suspension or termination by such  
22 department of certification under this subdivision. Such department may  
23 require some or all of the information required as part of an applica-  
24 tion or other report be provided by a licensed engineer.

25 S 8. Paragraph 1 of subdivision (i) of section 22-601 of the adminis-  
26 trative code of the city of New York, as amended by chapter 406 of the  
27 laws of 2010, is amended to read as follows:

28 (1) Non-residential premises that are wholly contained in property  
29 that is eligible to obtain benefits under part four or part five of  
30 subchapter two of chapter two of title eleven of this code, or would be  
31 eligible to receive benefits under such chapter except that such proper-  
32 ty is exempt from real property taxation and the requirements of para-  
33 graph two of subdivision g of section 11-259 of this code, or the  
34 requirements of subparagraph (b) of paragraph two of subdivision e of  
35 section 11-270 of this code, whichever is applicable, have not been  
36 satisfied, provided that application for such benefits was made after  
37 May third, nineteen hundred eighty-five and prior to July first, two  
38 thousand [thirteen] FIFTEEN, that construction or renovation of such  
39 premises was described in such application, that such premises have been  
40 substantially improved by such construction or renovation so described,  
41 that the minimum required expenditure as defined in such part four or  
42 part five, whichever is applicable, has been made, and that such real  
43 property is located in an eligible area; or

44 S 9. Paragraph 3 of subdivision (i) of section 22-601 of the adminis-  
45 trative code of the city of New York, as amended by chapter 406 of the  
46 laws of 2010, is amended to read as follows:

47 (3) non-residential premises that are wholly contained in real proper-  
48 ty that has obtained approval after October thirty-first, two thousand  
49 and prior to July first, two thousand [thirteen] FIFTEEN for financing  
50 by an industrial development agency established pursuant to article  
51 eighteen-A of the general municipal law, provided that such financing  
52 has been used in whole or in part to substantially improve such premises  
53 (by construction or renovation), and that expenditures have been made  
54 for improvements to such real property in excess of ten per centum of  
55 the value at which such real property was assessed for tax purposes for  
56 the tax year in which such improvements commenced, that such expendi-

tures have been made within thirty-six months after the earlier of (i) the issuance by such agency of bonds for such financing, or (ii) the conveyance of title to such property to such agency, and that such real property is located in an eligible area; or

S 10. Paragraph 5 of subdivision (i) of section 22-601 of the administrative code of the city of New York, as amended by chapter 406 of the laws of 2010, is amended to read as follows:

(5) non-residential premises that are wholly contained in real property owned by such city or the New York state urban development corporation, or a subsidiary thereof, a lease for which was approved in accordance with the applicable provisions of the charter of such city or by the board of directors of such corporation, and such approval was obtained after October thirty-first, two thousand and prior to July first, two thousand [thirteen] FIFTEEN, provided, however, that such premises were constructed or renovated subsequent to such approval, that expenditures have been made subsequent to such approval for improvements to such real property (by construction or renovation) in excess of ten per centum of the value at which such real property was assessed for tax purposes for the tax year in which such improvements commenced, that such expenditures have been made within thirty-six months after the effective date of such lease, and that such real property is located in an eligible area; or

S 11. Paragraph 1 of subdivision (c) of section 22-602 of the administrative code of the city of New York, as amended by chapter 406 of the laws of 2010, is amended to read as follows:

(1) No eligible energy user, qualified eligible energy user, on-site cogenerator, clean on-site cogenerator or special eligible energy user shall receive a rebate pursuant to this chapter until it has obtained a certification as an eligible energy user, qualified eligible energy user, on-site cogenerator, clean on-site cogenerator or special eligible energy user, respectively, from the commissioner of small business services. No such certification for a qualified eligible energy user shall be issued on or after July first, two thousand three. No such certification of any other eligible energy user, on-site cogenerator or clean on-site cogenerator shall be issued on or after July first, two thousand [thirteen] FIFTEEN. The commissioner of small business services, after notice and hearing, may revoke a certification issued pursuant to this subdivision where it is found that eligibility criteria have not been met or that compliance with conditions for continued eligibility has not been maintained. The corporation counsel may maintain a civil action to recover an amount equal to any benefits improperly obtained.

S 12. This act shall take effect immediately.

#### PART F

Section 1. Subparagraph (b-2) of paragraph 2 of subdivision i of section 11-704 of the administrative code of the city of New York, as amended by chapter 203 of the laws of 2009, is amended to read as follows:

(b-2) The amount of the special reduction allowed by this subdivision with respect to a lease other than a sublease commencing between July first, two thousand five and June thirtieth, two thousand [thirteen] FIFTEEN with an initial or renewal lease term of at least five years shall be determined as follows:

(i) For the base year the amount of such special reduction shall be equal to the base rent for the base year.

(ii) For the first, second, third and fourth twelve-month periods following the base year the amount of such special reduction shall be equal to the lesser of (A) the base rent for each such twelve-month period or (B) the base rent for the base year.

S 2. This act shall take effect immediately.

## PART G

Section 1. Subdivision 9 of section 499-aa of the real property tax law, as amended by chapter 306 of the laws of 2010, is amended to read as follows:

9. "Eligibility period." The period commencing April first, nineteen hundred ninety-five and terminating March thirty-first, two thousand one, provided, however, that with respect to eligible premises defined in subparagraph (i) of paragraph (b) of subdivision ten of this section, the period commencing July first, two thousand and terminating June thirtieth, two thousand [fourteen] SIXTEEN, and provided, further, however, that with respect to eligible premises defined in subparagraph (ii) of paragraph (b) or paragraph (c) of subdivision ten of this section, the period commencing July first, two thousand five and terminating June thirtieth, two thousand [fourteen] SIXTEEN.

S 2. Subparagraph (iii) of paragraph (a) of subdivision 3 of section 499-cc of the real property tax law, as amended by chapter 306 of the laws of 2010, is amended to read as follows:

(iii) With respect to the eligible premises defined in subparagraph (ii) of paragraph (b) or paragraph (c) of subdivision ten of section four hundred ninety-nine-aa of this title and for purposes of determining whether the amount of expenditures required by subdivision one of this section have been satisfied, expenditures on improvements to the common areas of an eligible building shall be included only if work on such improvements commenced and the expenditures are made on or after July first, two thousand five and on or before December thirty-first, two thousand [fourteen] SIXTEEN; provided, however, that expenditures on improvements to the common areas of an eligible building made prior to three years before the lease commencement date shall not be included.

S 3. This act shall take effect immediately.

S 2. Severability clause. If any clause, sentence, paragraph, subdivision, section or part 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 part 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 3. This act shall take effect immediately provided, however, that the applicable effective date of Parts A through G of this act shall be as specifically set forth in the last section of such Parts.