

6647

I N S E N A T E

February 21, 2014

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:

1 Section 1. This act enacts into law major components of legislation
2 relating to lower Manhattan. Each component is wholly contained within

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

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a Part identified as Parts A through G. The effective date for each particular provision contained within such Part is set forth in the last section of such Part. Any provision in any section contained within a Part, including the effective date of the Part, which makes a reference to a section "of this act", when used in connection with that particular component, shall be deemed to mean and refer to the corresponding section of the Part in which it is found. Section three of this act sets forth the general effective date of this act.

PART A

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

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

A person who currently occupies premises for use as commercial office space under an existing lease in a building in the eligible areas shall not be eligible for exemption under this subdivision unless such existing lease, in the case of a space lease with respect to leased premises located in eligible areas as defined in clause (i) of subparagraph (D) of this paragraph expires according to its terms before September first, two thousand thirteen or such existing lease, in the case of a space lease with respect to leased premises located in eligible areas as defined in clause (ii) of subparagraph (D) of this paragraph and such person enters into a space lease, for a term of ten years or more commencing on or after September first, two thousand five, of premises for use as commercial office space in a building located or to be located in the eligible areas, provided that such space lease with respect to leased premises located in eligible areas as defined in clause (i) of subparagraph (D) of this paragraph commences no later than September first, two thousand thirteen, and provided that such space lease with respect to leased premises located in eligible areas as defined in clause (ii) of subparagraph (D) of this paragraph commences no later than September first, two thousand fifteen and provided, further, that such space lease shall expire no earlier than ten years after the expiration of the original lease. NOTWITHSTANDING ANY

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

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

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

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

37 PART B

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

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

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

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

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

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

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

31 S 4. Subparagraph (a) of paragraph 2 of subdivision i of section
32 11-704 of the administrative code of the city of New York, as amended by
33 chapter 22 of the laws of 2010, is amended to read as follows:

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

50 S 5. This act shall take effect immediately.

51 PART C

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

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

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

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

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

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

(1) Application for benefits pursuant to this part may be made immediately following the effective date of the local law that added this section and continuing until March first, two thousand [fifteen] SEVENTEEN.

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

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

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

S 5. This act shall take effect immediately.

PART D

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

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

(1) prior to such date such business has purchased, leased or entered into a contract to purchase or lease particular premises or a parcel on

1 which will be constructed such premises or already owned such premises
2 or parcel;

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

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

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

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

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

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

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

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

53 (4) such business relocates to such premises as provided in subdivi-
54 sion (j) of section twenty-five-dd of this article not later than thir-
55 ty-six months or, in a case in which the expenditures made for the
56 improvements specified in paragraph two of this subdivision are in

1 excess of fifty million dollars within seventy-two months from the date
2 of submission of such preliminary application.

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

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

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

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

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

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

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

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

sion (o) of section 22-623 of this chapter is equal to or greater than the lesser of twenty-five percent of the number of New York city base shares calculated pursuant to subdivision (p) of such section 22-623, and two hundred fifty employment shares. Any written documentation submitted to the mayor or such agency or agencies in order to obtain any such certification shall be deemed a written instrument for purposes of section 175.00 of the penal law. Application fees for such certifications shall be determined by the mayor or such agency or agencies. No certification of eligibility shall be issued to an eligible business on or after July first, two thousand [thirteen] FIFTEEN unless:

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

(2) prior to such date improvements have been commenced on such premises or parcel, which improvements will meet the requirements of subdivision (e) of section 22-623 of this chapter relating to expenditures for improvements;

(3) prior to such date such business submits a preliminary application for a certification of eligibility to such mayor or such agency or agencies with respect to a proposed relocation to such premises; and

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

S 5. This act shall take effect immediately.

PART E

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

(1) non-residential premises that are wholly contained in property that is eligible to obtain benefits under title two-D or two-F of article four of the real property tax law, or would be eligible to receive benefits under such article except that such property is exempt from real property taxation and the requirements of paragraph (b) of subdivision seven of section four hundred eighty-nine-dddd of such title two-D, or the requirements of subparagraph (ii) of paragraph (b) of subdivision five of section four hundred eighty-nine-ccccc of such title two-F, whichever is applicable, have not been satisfied, provided that application for such benefits was made after May third, nineteen hundred eighty-five and prior to July first, two thousand [thirteen] FIFTEEN, that construction or renovation of such premises was described in such application, that such premises have been substantially improved by such construction or renovation so described, that the minimum required expenditure as defined in such title two-D or two-F, whichever is applicable, has been made, and that such real property is located in an eligible area; or

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

(3) non-residential premises that are wholly contained in real property that has obtained approval after October thirty-first, two thousand and prior to July first, two thousand [thirteen] FIFTEEN for financing by an industrial development agency established pursuant to article

18 eighteen-A of the general municipal law, provided that such financing
has been used in whole or in part to substantially improve such premises
(by construction or renovation), and that expenditures have been made
for improvements to such real property 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 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 3. Paragraph 5 of subdivision (b) of section 25-s of the general
city law, 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 proper-
ty owned by such city or the New York state urban development corpo-
ration, 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 4. Paragraph 2 of subdivision (c) of section 25-t of the general
city law, as amended by chapter 406 of the laws of 2010, is amended to
read as follows:

(2) No eligible energy user, qualified eligible energy user, on-site
cogenerator, or clean on-site cogenerator shall receive a rebate pursu-
ant to this article until it has obtained a certification from the
appropriate city agency in accordance with a local law enacted pursuant
to this section. No such certification for a qualified eligible energy
user shall be issued on or after November first, two thousand. 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.

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

(1) is eligible to obtain benefits under title two-D or two-F of arti-
cle four of the real property tax law, or would be eligible to receive
benefits under such title except that such property is exempt from real
property taxation and the requirements of paragraph (b) of subdivision
seven of section four hundred eighty-nine-dddd of such title two-D, or
the requirements of subparagraph (ii) of paragraph (b) of subdivision
five of section four hundred eighty-nine-ccccc of such title two-F,
whichever is applicable, of the real property tax law have not been
satisfied, provided that application for such benefits was made after
the thirtieth day of June, nineteen hundred ninety-five and before the
first day of July, two thousand [thirteen] FIFTEEN, that construction or
renovation of such building or structure was described in such applica-
tion, that such building or structure has been substantially improved by

1 such construction or renovation, and (i) that the minimum required
2 expenditure as defined in such title has been made, or (ii) where there
3 is no applicable minimum required expenditure, the building was
4 constructed within such period or periods of time established by title
5 two-D or two-F, whichever is applicable, of article four of the real
6 property tax law for construction of a new building or structure; or

7 S 6. Paragraphs 2 and 3 of subdivision (a) of section 25-aa of the
8 general city law, as amended by chapter 406 of the laws of 2010, are
9 amended to read as follows:

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

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

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

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

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

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

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

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

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