

STATE OF NEW YORK

4402

2019-2020 Regular Sessions

IN SENATE

March 11, 2019

Introduced by Sens. SAVINO, KAVANAGH -- read twice and ordered printed,
and when printed to be committed to the Committee on Housing,
Construction and Community Development

AN ACT to amend the private housing finance law, in relation to the
provision of rental assistance for low income elderly families, and to
amend the administrative code of the city of New York, in relation to
imposing a tax on conveyances or transfers of residential real property
whose consideration is greater than two million dollars

The People of the State of New York, represented in Senate and Assembly,
do enact as follows:

1 Section 1. Section 654-b of the private housing finance law is
2 amended by adding a new subdivision 9 to read as follows:

3 9. The subsidiary corporation shall use the taxes described in subdi-
4 vision g of section 11-2102 of the administrative code of the city of
5 New York exclusively for the provision of the elderly rental assistance
6 program as described in article sixteen-B of this chapter.

7 § 2. The private housing finance law is amended by adding a new arti-
8 cle 16-B to read as follows:

ARTICLE 16-B

ELDER RENTAL ASSISTANCE PROGRAM

10 Section 930. Statement of legislative findings and purpose.

11 931. Definitions.

12 932. Elder rental assistance program.

13 933. General and administrative provisions.

14 § 930. Statement of legislative findings and purpose. The legislature
15 hereby finds that the city of New York is experiencing an extreme short-
16 age of affordable housing that serves low income senior citizens. For
17 hundreds of thousands of senior citizens living on pensions, retirement
18 savings and other fixed incomes, the rapid rise in rents has threatened
19 their ability to stay in their homes and neighborhoods. More than half
20 of seniors spend more on housing than they can afford and more than one
21

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

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1 hundred thousand seniors have waited for seven years or more on an
2 affordable housing waitlist.

3 The legislature further finds that citywide, almost two-thirds of all
4 senior renter households are among the lowest income households in the
5 city, earning less than fifty percent of area median income. According-
6 ly, the legislature finds that legislation should be enacted to create
7 the elder rental assistance program, which will provide monthly finan-
8 cial assistance to rent-burdened seniors so they can live in dignity in
9 their own homes. This program will be financed through a marginal tax on
10 real estate transactions over two million dollars.

11 § 931. Definitions. As used in this article:

12 1. "Elderly family" shall mean a family, as defined in 24 C.F.R §
13 5.403, whose head (including co-head), spouse, or sole member is a
14 person who is at least sixty-two years of age. It may include two or
15 more persons who are at least sixty-two years of age living together, or
16 one or more persons who are at least sixty-two years of age living with
17 one or more live-in aides, as defined in 24 C.F.R § 5.403, and shall
18 incorporate any amendments made to this definition in 24 C.F.R § 5.403.

19 2. "Low income families" shall mean those families whose incomes do
20 not exceed eighty per centum of the median income for the New York
21 metropolitan statistical area, as determined by the secretary of the
22 federal department of housing and urban development with adjustments for
23 smaller and larger families.

24 § 932. Elder rental assistance program. 1. Subject to the availability
25 of funds generated by the taxes described in subdivision q of section
26 11-2102 of the administrative code of the city of New York, the housing
27 assistance corporation, established by section six hundred fifty-four-b
28 of this chapter, shall provide rental assistance to or on behalf of
29 low-income families whose members constitute an elderly family, who are
30 residents of the city of New York, and who pay more than thirty percent
31 of their monthly adjusted income as rent as calculated pursuant to 42
32 U.S.C § 1437a(a)(1)(A). The amount of rental assistance provided to or
33 on behalf of each such family pursuant to this subdivision shall be an
34 amount up to the difference between (i) a rent established by the
35 department of housing preservation and development on an annual basis
36 not to exceed the maximum monthly rent prescribed in 42 U.S.C.
37 §1437f(c)(1), or such lower rent as may be required by applicable law,
38 or as ordered pursuant to section four hundred sixty-seven-b or four
39 hundred sixty-seven-c of the real property tax law, if applicable and
40 (ii) thirty percent of each such family's monthly adjusted income as
41 calculated pursuant to 42 U.S.C. §1437a(a)(1)(A).

42 2. To the extent a person or entity receives any such rental assist-
43 ance on behalf of a particular elderly family, such person or entity
44 shall credit such assistance against the rent of such family on a month-
45 ly basis.

46 3. The rental assistance provided pursuant to subdivision one of this
47 section shall continue upon the death or permanent departure of a member
48 of an elderly family who was at least sixty-two years of age, including
49 the head of such family (including co-head) or his or her spouse,
50 provided that such elderly family is otherwise eligible for such rental
51 assistance and a member of such elderly family who is at least sixty-two
52 years of age has resided in the dwelling unit receiving such rental
53 assistance for at least one hundred eighty days immediately preceding
54 such death or permanent departure.

55 4. The rental assistance authorized by subdivision one of this section
56 may be provided either as tenant-based or as building-based assistance.

1 Such assistance may be used in conjunction with any governmental program
2 or project to develop or preserve housing.

3 5. A person who has obtained a rent increase exemption order granted
4 pursuant to section four hundred sixty-seven-b or four hundred sixty-
5 seven-c of the real property tax law may also be eligible to receive
6 rental assistance pursuant to subdivision one of this section if such
7 person is a member of an elderly family that is otherwise eligible for
8 such assistance.

9 § 933. General and administrative provisions. 1. The housing assist-
10 ance corporation and the department of housing preservation and develop-
11 ment shall have the authority to incur reasonable costs for adminis-
12 tration of the program authorized by section nine hundred thirty-two of
13 this article provided that no more than five percent of the taxes
14 collected pursuant to subdivision g of section 11-2102 of the adminis-
15 trative code of the city of New York shall be used for such costs.

16 2. The housing assistance corporation and the department of housing
17 preservation and development shall have the authority to promulgate such
18 rules as are necessary to carry out the provisions of section nine
19 hundred thirty-two of this article.

20 § 3. Section 11-2102 of the administrative code of the city of New
21 York is amended by adding three new subdivisions g, h and i to read as
22 follows:

23 g. In addition to the taxes imposed by subdivisions a and b of this
24 section, there is hereby imposed a tax on each deed or other instrument
25 or transaction conveying or transferring residential real property or an
26 economic interest therein, at the time of delivery by a grantor to a
27 grantee, when the consideration for such property and any improvement
28 thereon (whether or not it is included in the same deed) is greater than
29 two million dollars, or at the time of the transfer of such economic
30 interest by a grantor to a grantee, where the consideration for such
31 economic interest is greater than two million dollars. Except as other-
32 wise provided in this section, all the provisions of this chapter relat-
33 ing to or applicable to the administration, collection and determination
34 of the tax imposed by subdivisions a and b of this section shall apply
35 to the tax imposed by this subdivision with such modifications as may be
36 necessary to adapt such language to the tax so imposed. For purposes of
37 this section, "residential real property" shall include any premises
38 that are or may be used in whole or in part as a personal residence, and
39 shall include a one, two or three-family house, an individual residen-
40 tial condominium unit, or an individual residential cooperative apart-
41 ment. Such tax shall be at the rate of two and one-half percent of the
42 consideration in excess of two million dollars.

43 h. For purposes of this section, the determination of whether a
44 conveyance or transfer shall be subject to the taxes imposed by subdivi-
45 sions a, b and g of this section, and of the rate of such taxes, shall
46 be made prior to the application of subdivision f of this section and
47 paragraph eight of subdivision b of section 11-2106 of this chapter,
48 provided, however, that the amount of consideration subject to such
49 taxes shall be determined after the application of subdivision f of this
50 section and paragraph eight of subdivision b of section 11-2106 of this
51 chapter.

52 i. Any tax collected pursuant to subdivision g of this section shall
53 be used exclusively for the provision of rental assistance to low-income
54 families whose members constitute an elderly family, as described in
55 subdivision nine of section six hundred fifty-four-b of the private
56 housing finance law. For purposes of this subdivision, "low-income fami-

lies" and "elderly family" shall have the same meaning as provided in section nine hundred thirty-one of the private housing finance law.

§ 4. Section 11-2104 of the administrative code of the city of New York, as added by local law number 71 of the city of New York for the year 1986, subdivision 4 as amended by local law number 59 of the city of New York for the year 1989, subdivisions 5 and 6 as amended and subdivision 7 as added by chapter 170 of the laws of 1994, is amended to read as follows:

§ 11-2104 Payment. The tax imposed [~~hereunder~~] pursuant to subdivisions a and b of section 11-2102 of this chapter shall be paid by the grantor to the commissioner of finance at the office of the register in the county where the deed is or would be recorded within thirty days after the delivery of the deed by the grantor to the grantee but before the recording of such deed, or, in the case of a tax on the transfer of an economic interest in real property, at such place as the commissioner of finance shall designate, within thirty days after the transfer. The grantee shall also be liable for the payment of such tax in the event that the amount of tax due is not paid by the grantor or the grantor is exempt from tax. The tax imposed pursuant to subdivision g of section 11-2102 of this chapter shall be paid by the grantee to the commissioner of finance at the office of the register in the county where the deed is or would be recorded within thirty days after the delivery of the deed by the grantor to the grantee but before the recording of such deed, or, in the case of a tax on the transfer of an economic interest in real property, at such place as the commissioner of finance shall designate, within thirty days after the transfer. The grantor shall also be liable for the payment of the tax imposed pursuant to subdivision g of section 11-2102 of this chapter in the event that the amount of tax due is not paid by the grantee or the grantee is exempt from payment of the tax. All moneys received as such payments by the register during the preceding month shall be transmitted to the commissioner of finance on the first day of each month or on such other day as is mutually agreeable to the commissioner of finance and the register.

a. From the moneys so received by him or her pursuant to subdivisions a and b of section 11-2102 of this chapter, the commissioner of finance shall set said in a special account:

(1) the total amount of taxes imposed pursuant to the provisions of paragraph three of subdivision a of section 11-2102 of this chapter including any interest or penalties thereon;

(2) fifty percent of the total amount of taxes imposed pursuant to the provisions of paragraph four of subdivision a of section 11-2102 of this chapter, including fifty percent of any interest or penalties thereon, provided, however, that where such tax is measured by the consideration for a conveyance without deduction for the amount of any mortgage or other lien or encumbrance on the real property or interest therein which existed before the delivery of the deed and remains thereon after the delivery of the deed, the entire amount of tax imposed at the rate of one percent on the portion of the consideration ascribable to such nondeductible mortgage, lien or other encumbrance, including any interest or penalties thereon, and fifty percent of the tax on the balance of the consideration, including fifty percent of any interest or penalties thereon, shall be set aside in such special account;

(3) fifty percent of the total amount of taxes imposed pursuant to the provisions of subparagraph (iii) of paragraph seven of subdivision a of section 11-2102 of this chapter, including fifty percent of any interest or penalties thereon;

(4) fifty percent of the total amount of taxes imposed pursuant to the provisions of paragraph eight of subdivision a of section 11-2102 of this chapter, including fifty percent of any interest or penalties thereon;

(5) fifty percent of the total amount of taxes imposed at the rate of two percent pursuant to the provisions of clause (ii) of subparagraph A of paragraph one of subdivision b of section 11-2102 of this chapter including fifty percent of any interest or penalties thereon;

(6) with respect to any conveyance of real property, transfer of an economic interest therein, or any grant, assignment or surrender of a leasehold interest in real property, made on or after August first, nineteen hundred eighty-nine and taxable under this chapter, in each instance where the tax rate is in excess of two percent, a portion of the tax received equal to one percent of the consideration subject to the tax plus any interest or penalty attributable to such portion of the tax; and

(7) notwithstanding anything in ~~subdivision~~ paragraph six of this subdivision to the contrary, in each instance where the tax rate imposed pursuant to subdivision e of section 11-2102 of this chapter is in excess of one percent, a portion of the tax received equal to one-half of one percent of the total consideration for the real property or economic interest therein conveyed or transferred, plus any interest or penalty attributable to such portion of the tax.

Moneys in such account shall be used for payment by such commissioner to the state comptroller for deposit in the urban mass transit operating assistance account of the mass transportation operating assistance fund of any amount of insufficiency certified by the state comptroller pursuant to the provisions of subdivision six of section ~~[eight-eight-a]~~ eighty-eight-a of the state finance law, and, on the fifteenth day of each month, the commissioner of finance shall transmit all funds in such account on the last day of the preceding month, except the amount required for the payment of any amount of insufficiency certified by the state comptroller and such amount as he or she deems necessary for refunds and such other amounts necessary to finance the New York City transportation disabled committee and the New York City paratransit system as established by section fifteen-b of the transportation law, provided, however, that such amounts shall not exceed six percent of the total funds in the account but in no event be less than one hundred seventy-five thousand dollars beginning April first, nineteen hundred eighty-six, and further that beginning November fifteenth, nineteen hundred eighty-four and during the entire period prior to operation of such system, the total of such amounts shall not exceed three hundred seventy-five thousand dollars for the administrative expenses of such committee and fifty thousand dollars for the expenses of the agency designated pursuant to paragraph b of subdivision five of such section, and other amounts necessary to finance the operating needs of the private bus companies franchised by the city of New York and eligible to receive state operating assistance under section eighteen-b of the transportation law, provided, however, that such amounts shall not exceed four percent of the total funds in the account, to the New York city transit authority for mass transit within the city.

b. The moneys received by the commissioner of finance pursuant to subdivision g of section 11-2102 of this chapter shall be held for the benefit of the housing assistance corporation for the provision of rental assistance to low-income families whose members constitute an elderly family in accordance with subdivision i of such section, and

1 paid to the housing assistance corporation, in the same fiscal year or
2 as soon as practicable thereafter, for the purposes described in such
3 subdivision i. Such moneys shall be used to supplement, rather than
4 supplant, local funds that such city would have expended for the
5 provision of rental assistance to low-income families whose members
6 constitute an elderly family. For purposes of this subdivision, "low-in-
7 come families" and "elderly family" shall have the same meaning as
8 provided in section nine hundred thirty-one of the private housing
9 finance law.

10 § 5. This act shall take effect on the ninetieth day after it shall
11 have become a law.