STATE OF NEW YORK

1931--A

2021-2022 Regular Sessions

IN ASSEMBLY

January 13, 2021

Introduced by M. of A. L. ROSENTHAL -- read once and referred to the Committee on Real Property Taxation -- recommitted to the Committee on Real Property Taxation in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to repeal section 421-a of the real property tax law, relating to the affordable New York housing program; to amend the real property tax law, the administrative code of the city of New York, and the private housing finance law, in relation to making necessary technical and conforming changes; and to repeal certain sections of the administrative code of the city of New York relating thereto

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

Section 1. Section 421-a of the real property tax law is REPEALED.

§ 2. Section 11-245 of the administrative code of the city of New York is REPEALED.

§ 3. Section 11-245.1 of the administrative code of the city of New York is REPEALED.

§ 4. Section 11-245.1-a of the administrative code of the city of New York is REPEALED.

§ 5. Section 11-245.1-b of the administrative code of the city of New York is REPEALED.

§ 6. The thirteenth undesignated paragraph of subdivision a of section 6-130 of the administrative code of the city of New York, as amended by local law number 212 of the city of New York for the year 2019, is amended to read as follows:

"Lease" means any agreement whereby a contracting agency contracts for, or leases or rents, commercial office space or commercial office facilities of 10,000 square feet or more from a non-governmental entity provided the city, whether through a single agreement or multiple agreements, leases or rents no less than 51 percent of the total square

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

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footage of the building to which the lease applies, or if such space or such facility is entirely located within the geographic area in the borough of Staten Island[~~, or in an area not defined as an exclusion area pursuant to section 421-a of the real property tax law~~] on the date of enactment of the local law that added this section, then no less than 80 percent of the total square footage of the building to which the lease applies. Such agreements do not include agreements between not-for-profit organizations and a contracting agency.

§ 7. Subdivision 1 of section 11-239 of the administrative code of the city of New York, as amended by local law number 40 of the city of New York for the year 2007, is amended to read as follows:

1. For fiscal years beginning the first of July, two thousand three and ending the thirtieth of June, two thousand nine, a rebate in the amount of the lesser of four hundred dollars or the annual tax liability imposed on the property shall be paid to an owner or tenant-stockholder who, as of the date the application provided for in subdivision four of this section is due, owns a one, two or three family residence or a dwelling unit in residential property held in the condominium or cooperative form of ownership that is the owner or tenant-stockholder's primary residence and meets all other eligibility requirements of this section. If, with respect to the fiscal year beginning on the first of July, two thousand eight and ending on the thirtieth of June, two thousand nine, an increase in average real property tax rates would otherwise be necessary in the resolution of the city council fixing real property tax rates for such fiscal year pursuant to the charter, then the rebate to be paid for such fiscal year shall be reduced or eliminated as follows: where the sum to be raised by such increase is less than seven hundred fifty million dollars, then such rebate shall be reduced by fifty cents for each dollar of increase, and where the sum to be raised by such increase is seven hundred fifty million dollars or more, then such rebate shall be eliminated. Notwithstanding anything to the contrary in sections [~~four hundred twenty-one-a,~~] four hundred twenty-one-b or four hundred twenty-one-g of the real property tax law, an owner or tenant-stockholder whose property is receiving benefits pursuant to such sections shall not be prohibited from receiving a rebate pursuant to this section if such owner or tenant-stockholder is otherwise eligible to receive such rebate. Tenant-stockholders of dwelling units in a cooperative apartment corporation incorporated as a mutual company pursuant to article two, four, five or eleven of the private housing finance law shall not be entitled to the rebate authorized by this section. Such rebate shall be paid by the commissioner of finance to eligible owners or tenant-stockholders in accordance with rules promulgated by the commissioner of finance.

§ 8. Subdivision h of section 26-901 of the administrative code of the city of New York, as added by local law number 44 of the city of New York for the year 2012, is amended to read as follows:

h. "Housing development project" means construction, rehabilitation or alteration of any residential building, residential facility or residential structure by a developer (1) which creates or preserves at least one dwelling unit; (2) which is funded in whole or in part by city financial assistance other than non-discretionary tax abatements or benefits approved or administered in accordance with [~~sections 421-a or 489~~] **section four hundred eighty-nine** of the [~~New York state~~] real property tax law or other similar programs and (3) where the developer of such project was not selected more than five years prior to the effective date of this chapter. The term "housing development project" shall

not include emergency repairs performed by or on behalf of the department pursuant to section 27-2125 of this code, work performed by or on behalf of the department pursuant to section 27-2153 of this code, demolition work performed by or on behalf of the department pursuant to articles two hundred fifteen or two hundred sixteen of chapter two of title twenty-eight of this code, or work funded by the department pursuant to article [~~seven-a~~] **seven-A** of the [~~New York state~~] real property actions and proceedings law.

§ 9. Subdivision 18 of section 654-d of the private housing finance law, as amended by chapter 703 of the laws of 1992, is amended to read as follows:

18. Rentals. Notwithstanding the provisions of, or any regulation promulgated pursuant to, the emergency housing rent control law, the local emergency housing rent control act or local law enacted pursuant thereto, all dwelling units in a multiple dwelling the rehabilitation of which commenced after July first, nineteen hundred seventy-seven and which is financed by a mortgage loan insured by the subsidiary corporation (including, but not limited to, mortgage loans insured pursuant to mortgage insurance contracts and housing insurance contracts), except for dwelling units occupied by reason of ownership of stock in a cooperative and except for dwelling units that constitute condominiums, shall be subject to the rent stabilization law of nineteen hundred sixty-nine, beginning immediately after initial rents, as established under applicable provisions of this chapter, [~~section four hundred twenty-one-a of the real property tax law,~~] section four hundred eighty-nine of the real property tax law and/or subparagraph (m) of paragraph one of subdivision g of section 26-405 of the administrative code of the city of New York for such dwelling units to become effective on the basis of such rehabilitation, provided that any occupant in possession of a dwelling unit that first becomes subject to the rent stabilization law of nineteen hundred sixty-nine pursuant to this section shall be offered a two-year lease notwithstanding any contrary provisions of, or regulations adopted pursuant to, such rent stabilization law, at the initial rent established for such dwelling unit and provided further that such dwelling units, other than those dwelling units, the initial rents of which are established under subparagraph (m) of paragraph one of subdivision g of section 26-405 of the administrative code of the city of New York, shall remain subject to the rent stabilization law in accordance with the provisions of this chapter[~~, section four hundred twenty-one-a of the real property tax law~~] and/or section four hundred eighty-nine of the real property tax law as the case may be. Except to the extent to which dwelling units, which are controlled under other provisions of law, become subject to the rent stabilization law of nineteen hundred sixty-nine pursuant to the preceding sentence, no dwelling unit shall become subject to the rent stabilization law solely by reason of insurance of a mortgage loan by the subsidiary corporation.

§ 10. Subdivision 6 of section 421-m of the real property tax law, as added by section 43 of part B of chapter 97 of the laws of 2011, is amended to read as follows:

6. The exemption authorized by this section shall not be available in a jurisdiction to which the provisions of section [~~four hundred twenty-one-a or~~] four hundred twenty-one-c of this article are applicable.

§ 11. Subdivision 1 of section 467-e of the real property tax law, as amended by chapter 483 of the laws of 2007, is amended to read as follows:

1. Generally. Notwithstanding any provision of any general, special or local law to the contrary, any city having a population of one million or more is hereby authorized and empowered to adopt and amend local laws in accordance with this section to grant a rebate of real property taxes for fiscal years beginning on the first of July, two thousand three and ending on the thirtieth of June, two thousand nine in the amount of the lesser of four hundred dollars or the annual tax liability imposed on the property. No such local law may be adopted unless, as originally adopted, it authorizes such rebate to be granted in accordance with this section for three consecutive fiscal years beginning with the fiscal year beginning on the first of July, two thousand three. No such rebate shall be granted by local law for any fiscal year beginning on or after the first of July, two thousand nine, unless the council of such city, in fixing the annual tax rates for any such fiscal year, shall have uniformly reduced such rates for all classes of property in order to produce real property tax relief among such classes of property in an amount not less than, in the aggregate, the aggregate amount of rebate paid in such fiscal year. No such local law implementing the provisions of this section, as amended by [~~the~~] chapter **four hundred eighty-three** of the laws of two thousand seven [~~which added this sentence~~], may be adopted unless, as originally adopted, such local law authorizes such rebate to be granted in accordance with this section for three consecutive fiscal years beginning with the fiscal year beginning on the first of July, two thousand six. Any rebate authorized by local law in accordance with this section shall be paid in the fiscal year following the fiscal year for which the rebate is granted. If, with respect to the fiscal year of such city beginning on the first of July, two thousand eight and ending on the thirtieth of June, two thousand nine, an increase in average real property tax rates would otherwise be necessary in the resolution of such city council fixing real property tax rates for such fiscal year pursuant to the charter of such city, then the rebate to be paid for such fiscal year shall be reduced or eliminated as follows: where the sum to be raised by such increase is less than seven hundred fifty million dollars, then such rebate shall be reduced by fifty cents for each dollar of increase, and where the sum to be raised by such increase is seven hundred fifty million dollars or more, then such rebate shall be eliminated. The determination of the reduction or elimination of such rebate shall be set forth in such resolution after consultation with the department of finance of such city and shall take effect upon the final adoption of such resolution. Such rebate shall be paid to an owner or tenant-stockholder who, as of the date the application provided for in subdivision four of this section is due, owns a one, two or three family residence or a dwelling unit in residential property held in the condominium or cooperative form of ownership that is the owner or tenant-stockholder's primary residence and meets all other eligibility requirements of this section. Notwithstanding anything to the contrary in sections [~~four hundred twenty-one-a,~~] four hundred twenty-one-b or four hundred twenty-one-g of this title, an owner or tenant-stockholder whose property is receiving benefits pursuant to such sections shall not be prohibited from receiving a rebate pursuant to this section if such owner or tenant-stockholder is otherwise eligible to receive such rebate. Tenant-stockholders of dwelling units in a cooperative apartment corporation incorporated as a mutual company pursuant to article two, four, five or eleven of the private housing finance law shall not be entitled to the rebate authorized by this section. Such rebate shall be paid by the commissioner of finance

to eligible owners or tenant-stockholders in accordance with rules promulgated by the commissioner of finance.

§ 12. Paragraph (b) of subdivision 1-a of section 489 of the real property tax law, as added by chapter 450 of the laws of 2003, is amended to read as follows:

(b) for tax lots in the city of New York now existing or hereafter created within the following area in the borough of Manhattan, such conversions, alterations or improvements are aided by a grant, loan or subsidy from any federal, state or local agency or instrumentality: beginning at the intersection of the United States pierhead line in the Hudson river and the center line of Chambers street extended, thence easterly to the center line of Chambers street and continuing along the center line of Chambers street to the center line of Centre street, thence southerly along the center line of Centre street to the center line of the Brooklyn Bridge to the intersection of the Brooklyn Bridge and the United States pierhead line in the East river, thence northerly along the United States pierhead line in the East river to the intersection of the United States pierhead line in the East river and the center line of One Hundred Tenth street extended, thence westerly to the center line of One Hundred Tenth street and continuing along the center line of One Hundred Tenth street to its westerly terminus, thence westerly to the intersection of the center line of One Hundred Tenth street extended and the United States pierhead line in the Hudson river, thence southerly along the United States pierhead line in the Hudson river to the point of beginning. For purposes of this subdivision, "floor area" shall [~~have the same meaning as in paragraph b of subdivision one of section four hundred twenty-one-a of this title~~] mean the horizontal areas of the several floors or any portion thereof of a dwelling or dwellings and accessory structures on a lot measured from the exterior faces of exterior walls or from the center line of party walls. Nothing in this subdivision shall be construed to provide benefits pursuant to subdivision two of this section for the costs attributable to the increased cubic content in any such building or structure.

§ 13. This act shall take effect immediately.