STATE OF NEW YORK

2353

2023-2024 Regular Sessions

IN ASSEMBLY

January 25, 2023

Introduced by M. of A. FALL -- read once and referred to the Committee on Aging

AN ACT to amend the real property tax law, in relation to exempting real property of an applicable battery park city property from payments in lieu of taxes; to amend a chapter of the laws of 2022 relating to directing the battery park city authority to extend its lease with the city of New York, as proposed in legislative bills numbers S. 9032-B and A. 10414-A, in relation to directing the battery park city authority to extend its restated and amended master lease by at least fifty years; and to repeal certain provisions of the real property tax law relating thereto

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

Section 1. The section heading, paragraphs b and i of subdivision 1, subdivision 2, the opening paragraph of paragraph b of subdivision 3 and subdivisions 6, 7 and 8 of section 467-c of the real property tax law, as amended by part A of a chapter of the laws of 2022 amending the real property tax law relating to authorizing eligibility for SCRIE and DRIE for tenants of properties located in battery park city, as proposed in legislative bills numbers S. 9032-B and A. 10414-A, are amended and a new paragraph n of subdivision 1 is added to read as follows:

Exemption for property owned by certain housing companies or [~~leased by~~] **sublessees of** the battery park city authority and occupied by senior citizens or persons with disabilities.

b. "Dwelling unit" means that part of a dwelling in which an eligible head of the household resides and **(1)** which is subject to the provisions of[~~: (1)~~] Article II, IV, V, or XI of the private housing finance law; or (2) [~~that part of a dwelling~~] which was or continues to be subject to a mortgage insured or initially insured by the federal government pursuant to section two hundred thirteen of the National Housing Act, as amended, in which an eligible head of the household resides; or (3) [~~a~~

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

LBD04140-01-3

~~sublease with the~~] **which is within an applicable** battery park city [~~authority~~] **property**.

i. "Maximum rent" means the maximum rent, excluding gas and electric utility charges, which has been authorized or approved by the commissioner or the supervising agency or the legal regulated rent established for the dwelling unit pursuant to the provisions of either Article II, IV, V or XI of the private housing finance law, or the rental established for a cooperatively owned dwelling unit previously regulated pursuant to the provisions of Article II, IV, V or XI of the private housing finance law; or such approved rent for a dwelling unit in a dwelling subject to a mortgage insured or initially insured by the federal government pursuant to section two hundred thirteen of the National Housing Act, as amended; or such rent established for a dwelling unit which was subject to a mortgage insured or initially insured by the federal government pursuant to section two hundred thirteen of the National Housing Act, as amended; or the rent established **for an applicable battery park city property** [~~pursuant to a regulatory agreement between the battery park city authority and the landlord~~].

n. "Applicable battery park city property" means a property that is (1) subject to a lease or sublease with the battery park city authority; and (2) has one or more residential units which are subject to limitations on rent increases pursuant to:

(i) a contractual agreement with the battery park city authority, which may be within the lease or sublease between the battery park city authority and the lessee or sublessee; or

(ii) a regulatory agreement with the commissioner or supervising agency.

2. The governing body of any city having a population of one million or more, acting through its local legislative body or other governing agency is hereby authorized and empowered to adopt and amend local laws or ordinances providing that real property of a housing company [~~or landlord who is subject to a sublease with the battery park city authority~~] shall be exempt from real property taxes [~~or~~] **and that real property of an applicable battery park city property shall be exempt from** payments in lieu of taxes (PILOT), in an amount equal to the rent increase exemptions actually credited to eligible heads of households pursuant to this section. Any such exemption shall be in addition to any other exemption or abatement of taxes authorized by law.

notwithstanding any other provision of law, when a head of the household to whom a then current, valid tax abatement certificate has been issued moves his principal residence from one dwelling unit subject to this section, to the local emergency housing rent control law or to the emergency tenant protection act of nineteen seventy-four to a subsequent dwelling unit which is subject to the provisions of articles II, IV, V or XI of the private housing finance law **and which is located within the same municipal corporation,** or which is or was subject to a mortgage insured or initially insured by the federal government pursuant to section two hundred thirteen of the National Housing Act, as amended, [~~or which is subject to the provisions of a sublease between the landlord and the battery park city authority~~] and which is located within the same municipal corporation, **or which is an applicable battery park city property,** the head of the household may apply for a tax abatement certificate relating to the subsequent dwelling unit, subject to any terms and conditions imposed by reason of any fund created under subdivision eight of this section, and such certificate may provide that the head of the household shall be exempt from paying that portion of the

maximum rent or legal regulated rent for the subsequent dwelling unit which is the least of the following:

6. Any such local law or ordinance may provide that upon receipt of a copy of the rent increase exemption order/tax abatement certificate, the housing company managing the dwelling unit or the landlord of the dwelling unit[~~, subject to a sublease with the~~] **within an applicable** battery park city [~~authority~~] **property**, of the eligible head of the household shall promptly accord to the eligible head of the household covered by such order/certificate the appropriate credit against the monthly maximum rent then or thereafter payable. To the extent the full amount of such credit has not been accorded for any past period since the effective date specified in the order/certificate, the housing company or landlord shall credit the total aggregate amount not so credited to the monthly maximum rent next payable or to such subsequent monthly maximum rents as the supervising agency may authorize. It shall be illegal to collect any amount for which a rent increase exemption order/tax abatement certificate provides credit or to withhold credit for any such amounts already collected, and collection or retention of any such amount for a dwelling unit occupied by such eligible head of the household shall be deemed a rent overcharge, and upon conviction therefor the housing company and its directors and any employee and any agent responsible therefor or the landlord and any employee and any agent responsible therefor shall be guilty of a misdemeanor, punishable by a fine not to exceed one thousand dollars or imprisonment not to exceed six months, or both.

7. Any such local law or ordinance may provide that in order to obtain the benefits to which it is entitled under this section, a housing company or landlord [~~who is subject to a sublease with the~~] **of an applicable** battery park city [~~authority~~] **property** must file with the collecting officer charged with the duty of collecting taxes [~~or PILOT~~] of the municipality **or PILOT** a sworn application, in such form as such officer may prescribe, for any quarterly period in which the housing company or landlord has accorded an eligible head of the household an exemption hereunder from the payment of the maximum rent. Subject to prior or subsequent verification thereof, the collecting officer shall credit the total amount of such exemptions actually accorded to occupants of dwelling units contained in the property against the real property taxes or PILOT otherwise payable with respect to the property. The housing company or landlord shall attach to such application copies of all rent increase exemption orders/tax abatement certificates issued to eligible heads of the household residing in dwelling units in such real property.

8. Any such local law or ordinance may provide that in the event that the real property of a housing company or [~~landlord who is subject to a sublease with the~~] **applicable** battery park city [~~authority~~] **property** containing one or more dwelling units shall be totally exempt from local and municipal real property taxes or PILOT for any fiscal year as a result of the exemptions from maximum rent credited pursuant to this section, or otherwise, such municipality may make or contract to make payments to a housing company or landlord in an amount not exceeding the amount necessary to reimburse the housing company or landlord for the total dollar amount of all exemptions from the payment of the maximum rent accorded pursuant to this section to eligible heads of the household residing in dwelling units in such real property. **Notwithstanding the foregoing, the battery park city authority shall have no obligation whatsoever to reimburse a landlord.**

A municipality may create and establish a fund in order to provide for the payments made in accordance with contracts entered into pursuant to this subdivision. There may be paid into such fund (1) all of the rental surcharges collected by the municipality from housing companies organized and existing pursuant to Articles II, IV, V and XI of the private housing finance law and (2) any moneys appropriated or otherwise made available by the municipality for the purpose of such fund.

§ 2. Subdivision 13 of section 467-c of the real property tax law, as added by part A of a chapter of the laws of 2022 amending the real property tax law relating to authorizing eligibility for SCRIE and DRIE for tenants of properties located in battery park city, as proposed in legislative bills numbers S. 9032-B and A. 10414-A, is REPEALED.

§ 3. Section 1 of part C of a chapter of the laws of 2022 relating to directing the battery park city authority to extend its lease with the city of New York, as proposed in legislative bills numbers S. 9032-B and A. 10414-A, is amended to read as follows:

Section 1. Notwithstanding any provision of law to the contrary, within six months of the effective date of this act, the battery park city authority shall extend the expiration date of the **restated and amended master** lease [~~between the authority and the city of New York, dated November 24, 1969 and~~] **captioned "Restated Amended Agreement of Lease" dated June 10, 1980, a memorandum of which was** recorded [~~December 26, 1969~~] **in the Office of the City Register** on page [~~1~~] **163** of reel [~~161~~] **527**, as supplemented, restated and amended, until June 18, 2119 **or later**.

§ 4. This act shall take effect on the same date and in the same manner as part A of a chapter of the laws of 2022 amending the real property tax law relating to authorizing eligibility for SCRIE and DRIE for tenants of properties located in battery park city, as proposed in legislative bills numbers S. 9032-B and A. 10414-A, takes effect; provided, however, that section three of this act shall take effect on the same date and in the same manner as part C of a chapter of the laws of 2022 relating to directing the battery park city authority to extend its lease with the city of New York, as proposed in legislative bills numbers S. 9032-B and A. 10414-A, takes effect.