

STATE OF NEW YORK

9680

IN ASSEMBLY

April 3, 2024

Introduced by M. of A. KELLES -- read once and referred to the Committee on Real Property Taxation

AN ACT to amend the real property tax law, in relation to establishing an optional local tax exemption for affordable multi-family housing

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

1 Section 1. The real property tax law is amended by adding a new
2 section 421-p to read as follows:

3 § 421-p. Exemption of newly-constructed rental multiple dwellings. 1.
4 (a) A city, town or village may, by local law, provide for the exemption
5 of rental multiple dwellings constructed in a benefit area designated in
6 such local law from taxation and special ad valorem levies, as provided
7 in this section. Subsequent to the adoption of such a local law, any
8 other municipal corporation in which the designated benefit area is
9 located may likewise exempt such property from its taxation and special
10 ad valorem levies by local law, or in the case of a school district, by
11 resolution.

12 (b) As used in this section, the term "benefit area" means the area
13 within a city, town or village, designated by local law, to which an
14 exemption, established pursuant to this section, applies.

15 (c) The term "rental multiple dwelling" means a structure, other than
16 a hotel, consisting of twenty or more dwelling units, where all of the
17 units are rented for residential purposes, and such units, upon initial
18 rental and upon each subsequent rental following a vacancy during the
19 benefit period, are affordable to and restricted to occupancy by indi-
20 viduals or families whose household income does not exceed a certain
21 percentage, as determined based on recommendations developed by the
22 division of housing and community renewal for each economic development
23 region, of the area median income, adjusted for family size, on average,
24 at the time that such households initially occupy such dwelling units.
25 Such restriction period shall be in effect coterminous with the benefit
26 period, provided, however, that the tenant or tenants in an income
27 restricted dwelling unit at the time such restriction period ends shall
28 have the right to lease renewals at the income restricted level until

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

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1 such time as such tenant or tenants permanently vacate the dwelling
2 unit.

3 2. (a) The division of housing and community renewal shall develop
4 recommendations for each economic development region, as established by
5 section two hundred thirty of the economic development law, regarding
6 the implementation of the exemption created under this section. Cities,
7 towns, and villages providing such exemption shall have the option to
8 opt into such recommendations.

9 (b) Such recommendations shall:

10 (i) consider the financial feasibility of constructing and operating
11 new housing in each economic development region, including any variation
12 in construction costs and operating incomes for rental multiple dwelling
13 projects in different parts of each such region, and among subsidized
14 and unregulated rental multiple dwelling projects;

15 (ii) include recommendations for both rental multiple dwelling
16 projects receiving additional subsidies or exemptions and rental multi-
17 ple dwelling projects receiving no additional subsidies or exemptions;
18 and

19 (iii) include recommendations for affordable homeownership projects
20 receiving additional subsidies or exemptions and affordable homeowner-
21 ship projects receiving no additional subsidies or exemptions.

22 (c) Such recommendations shall be updated by the division of housing
23 and community renewal no less than once every two years.

24 3. Application for exemption under this section shall be made on a
25 form prescribed by the commissioner and filed with the assessor on or
26 before the applicable taxable status date.

27 4. In the case of newly constructed property which is used partially
28 as a rental multiple dwelling and partially for commercial or other
29 purposes, the portion of the newly constructed property that is used as
30 a rental multiple dwelling shall be eligible for the exemption author-
31 ized by this section if:

32 (a) The square footage of the portion used as a rental multiple dwell-
33 ing represents at least fifty percent of the square footage of the
34 entire property;

35 (b) The rental units are affordable to individuals or families as
36 determined according to the criteria set forth in paragraph (c) of
37 subdivision one of this section; and

38 (c) The requirements of this section are otherwise satisfied with
39 respect to the portion of the property used as a rental multiple dwell-
40 ing.

41 5. The exemption authorized by this section shall not be available in
42 a city with a population of one million or more.

43 6. Any recipient of the exemption authorized by this section or their
44 designee shall certify compliance with the provisions of this section
45 under penalty of perjury, at such time or times and in such manner as
46 may be prescribed in the local law adopted by the city, town or village
47 pursuant to paragraph (a) of subdivision one of this section, or by a
48 subsequent local law. Such city, town or village may establish such
49 procedures as it deems necessary for monitoring and enforcing compliance
50 of an eligible building with the provisions of this section.

51 § 2. This act shall take effect immediately.