

# STATE OF NEW YORK

6654

2025-2026 Regular Sessions

## IN ASSEMBLY

March 6, 2025

Introduced by M. of A. LASHER -- read once and referred to the Committee on Housing

AN ACT to amend the private housing finance law, in relation to authorizing a reduction of taxes pursuant to shelter rent

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

1 Section 1. Paragraph (a) of subdivision 1 of section 33 of the private  
2 housing finance law, as amended by chapter 229 of the laws of 1989, is  
3 amended to read as follows:  
4 (a) Upon the consent of the local legislative body of any municipality  
5 in which a project is or is to be located, the real property in a  
6 project shall be exempt from local and municipal taxes, other than  
7 assessments for local improvements, to the extent of all or part of the  
8 value of the property included in such project which represents an  
9 increase over the assessed valuation of the real property, both land and  
10 improvements, acquired for the project at the time of its acquisition by  
11 the limited-profit housing company, provided, however, that the real  
12 property in a project acquired for purposes of rehabilitation shall be  
13 exempt to the extent of all or part of the value of the property  
14 included in such project, and further provided that the amount of such  
15 taxes to be paid for projects located or to be located in a municipality  
16 with a population of less than one million shall not be less than ten  
17 per centum of the annual shelter rent or carrying charges of such  
18 project [~~except~~], or such other amount less than ten per centum approved  
19 by the local legislative body of such municipality, and further provided  
20 that [~~for~~] projects located or to be located in a city of a population  
21 of one million or more[, ~~upon the consent of the local legislative body~~  
22 ~~of the municipality, the amount of such taxes to be paid may be set at~~  
23 ~~not less than (i) the taxes payable with respect to the real property in~~  
24 ~~such project with respect to the year nineteen hundred seventy-three,~~  
25 ~~or, (ii) if such project was not occupied in such year, not less than~~

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

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1 ~~ten per centum of the annual shelter rent or carrying charges first~~  
2 ~~established pursuant to subdivision one of section thirty one of this~~  
3 ~~article]~~ shall not be assessed. Shelter rent shall mean the total rents  
4 received from the occupants of a project less the cost of providing to  
5 the occupants electricity, gas, heat and other utilities. Total rents  
6 shall include rent supplements and subsidies received from the federal  
7 government, the state or a municipality on behalf of such occupants[7]  
8 but shall not include interest reduction payments pursuant to subdivi-  
9 sion (a) of section two hundred one of the Federal Housing and Urban  
10 Development Act of nineteen hundred sixty-eight. The tax exemption shall  
11 operate and continue so long as the mortgage loans of the company,  
12 including any additional mortgage loan the proceeds of which are used  
13 primarily for the residential portion of the project, which additional  
14 loan is approved by the commissioner or the supervising agency, are  
15 outstanding.

16 § 2. Paragraph (c) of subdivision 1 of section 33 of the private hous-  
17 ing finance law, as amended by chapter 229 of the laws of 1989, is  
18 amended to read as follows:

19 (c) Notwithstanding the provisions of paragraphs (a) and (b) of this  
20 subdivision, the real property of a state urban development corporation  
21 project acquired, owned, constructed, managed or operated by a company  
22 incorporated pursuant to the not-for-profit corporation law and this  
23 article shall be entitled to all the benefits provided by section four  
24 hundred twenty-two of the real property tax law. The real property of a  
25 state urban development corporation project, other than a state urban  
26 development corporation project acquired, owned, constructed, managed or  
27 operated by a company incorporated pursuant to the not-for-profit corpo-  
28 ration law and this article, shall be exempt from all local and municip-  
29 al taxes, other than assessments for local improvements, to the extent  
30 of the value of the property included in such project as represents an  
31 increase over the assessed valuation of the real property, both land and  
32 improvements, acquired for the project on the date of its acquisition by  
33 the limited-profit housing company, provided that the amount of such  
34 taxes to be paid for projects located or to be located in a municipality  
35 with a population of less than one million shall not be less than ten  
36 per centum of the annual shelter rent or carrying charges of such  
37 project, as defined in paragraph (a) hereof, or such other amount less  
38 than ten per centum approved by the local legislative body of such muni-  
39 cipality, and further provided that projects located or to be located in  
40 a city with a population of one million or more shall not be assessed.

41 The tax exemption shall operate and continue so long as the mortgage  
42 loans of such limited profit housing company, including any additional  
43 mortgage loan the proceeds of which are used primarily for the residen-  
44 tial portion of the project, which additional loan is approved by the  
45 commissioner or the supervising agency, are outstanding and the project  
46 is continued to be operated as a limited-profit housing project. If a  
47 state urban development corporation project qualifying for tax exemption  
48 pursuant to this paragraph is sold, with the approval of the commission-  
49 er, to another limited-profit housing company, such successor company  
50 shall be entitled to all the benefits of this paragraph. In the event  
51 that such sale is to a company incorporated pursuant to the not-for-pro-  
52 fit corporation law and this article, such successor company shall be  
53 entitled to all the benefits provided by section four hundred twenty-two  
54 of the real property tax law.

1 § 3. Paragraph (d) of subdivision 1 of section 33 of the private hous-  
2 ing finance law, as amended by chapter 744 of the laws of 1977, is  
3 amended to read as follows:

4 (d) Notwithstanding the provisions of paragraphs (a) and (b) of this  
5 subdivision, when a project is financed with a mortgage loan pursuant to  
6 this article or article three of this chapter and (i) there is a partic-  
7 ipation, new loan or investment pursuant to section twenty-three-b of  
8 this article or (ii) such mortgage loan is assigned, modified or satis-  
9 fied pursuant to section twenty-three-a or forty-four-b or subdivision  
10 twenty-two-a of section six hundred fifty-four of this chapter, the real  
11 property of the project shall be exempt from all local and municipal  
12 taxes, other than assessments for local improvements, to the extent of  
13 the value of the real property included in such project which represents  
14 an increase over the assessed valuation of the real property, both land  
15 and improvements, acquired for the project on the date of its original  
16 acquisition for the project by the original mortgagor under a mortgage  
17 loan pursuant to this article or article three of this chapter, provided  
18 that the amount of taxes to be paid on the project for projects located  
19 or to be located in a municipality with a population of less than one  
20 million shall not be less than ten per centum of the annual shelter rent  
21 or carrying charges of such project, as defined in paragraph (a) of this  
22 subdivision, or such other amount less than ten per centum approved by  
23 the local legislative body of such municipality, and further provided  
24 that projects located or to be located in a city with a population of  
25 one million or more shall not be assessed. Such tax exemption shall  
26 commence in each instance from the date when the project becomes subject  
27 to a mortgage insured by the federal government and shall operate and  
28 continue so long as a mortgage on such project is insured or held by the  
29 federal government or so long as the project is thereafter owned by the  
30 federal government or so long as any residual indebtedness is outstand-  
31 ing, whichever is longer. When there is a participation, new loan or  
32 investment pursuant to section twenty-three-b of this article, such  
33 participation, new loan or investment shall be deemed to be the equiv-  
34 alent of a federally insured mortgage for purposes of this paragraph.  
35 Nothing contained in this paragraph shall be construed to limit or  
36 otherwise impair the benefits available to any company eligible for  
37 exemption from taxation pursuant to section thirty-one or section thir-  
38 ty-six-a of this article, section four hundred twenty-two or section  
39 four hundred sixty-seven-c of the real property tax law, or section  
40 fifty-eight of the public housing law. The foregoing shall not be deemed  
41 to authorize any company to receive the benefits of any exemption from  
42 taxation in contravention of the provisions of section two of article  
43 eighteen of the constitution.

44 § 4. Subdivision 4 of section 33 of the private housing finance law,  
45 as amended by chapter 229 of the laws of 1989, is amended to read as  
46 follows:

47 4. Notwithstanding the provisions of subdivision one hereof, when a  
48 mutual company is organized under this article to facilitate the acqui-  
49 sition of a building by residents thereof, the amount of local and  
50 municipal taxes, other than assessments for local improvements, to be  
51 paid on the real property included in such project, both land and  
52 improvements, shall not exceed twenty per centum of the annual shelter  
53 rent or carrying charges of such project, as defined in paragraph (a) of  
54 subdivision one [~~hereof~~] of this section; provided, however, that where  
55 such acquisition of a building by residents thereof involves the financ-  
56 ing of rehabilitation or other improvement as well as acquisition, upon

1 the consent of the local legislative body of the municipality in which  
2 the project is located, the amount of such taxes for projects located or  
3 to be located in a municipality with a population of less than one  
4 million may be further reduced provided that such amount shall not be  
5 less than ten per centum of the annual shelter rent or carrying charges  
6 of the project, as defined in paragraph (a) of subdivision one [~~hereof~~]  
7 of this section, or such other amount less than ten per centum approved  
8 by the local legislative body of such municipality; or the company may  
9 in lieu of requesting such consent apply for the benefits of the local  
10 law, if any, enacted pursuant to section four hundred eighty-nine of the  
11 real property tax law. Notwithstanding any other provision of this  
12 subdivision, projects located or to be located in a city with a popu-  
13 lation of one million or more shall not be assessed. Such tax exemption,  
14 if any, granted pursuant to this article shall operate and continue so  
15 long as a loan made under this article or any subsequent loan approved  
16 by the commissioner or the supervising agency to enhance the residential  
17 portion of the project and the project is continued to be operated for  
18 the purposes set forth in this article is outstanding.  
19 § 5. This act shall take effect immediately.