

STATE OF NEW YORK

6654--A

2025-2026 Regular Sessions

IN ASSEMBLY

March 6, 2025

Introduced by M. of A. LASHER, LEE, PHEFFER AMATO -- read once and referred to the Committee on Housing -- recommitted to the Committee on Housing in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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 section 1 of part L of chapter 56 of
3 the laws of 2025, is 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 that for projects located or to be located in a city of a
19 population of one million or more, the amount of such taxes shall not be
20 [~~no more than five per centum of the annual shelter rent or carrying~~
21 ~~charges of the project~~] assessed. Upon the consent of the local legis-
22 lative body of a municipality, other than a city with a population of

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

LBD10198-04-5

1 one million or more, in which the project is located, the amount of such
2 taxes may be further reduced to five per centum or less of the annual
3 shelter rent or carrying charges of the project. Any such granted
4 consent to reduce the amount of such taxes shall expire every ten years.
5 If such authorization is not renewed, the rate of taxation shall revert
6 to the level established before the consent was granted. Shelter rent
7 shall mean the total rents received from the occupants of a project less
8 the cost of providing to the occupants electricity, gas, heat and other
9 utilities. Total rents shall include rent supplements and subsidies
10 received from the federal government, the state or a municipality on
11 behalf of such occupants but shall not include interest reduction
12 payments pursuant to subdivision (a) of section two hundred one of the
13 Federal Housing and Urban Development Act of nineteen hundred sixty-
14 eight. The tax exemption shall operate and continue so long as the mort-
15 gage loans of the company, including any additional mortgage loan the
16 proceeds of which are used primarily for the residential portion of the
17 project, which additional loan is approved by the commissioner or the
18 supervising agency, are outstanding.

19 § 2. Paragraph (c) of subdivision 1 of section 33 of the private hous-
20 ing finance law, as amended by section 2 of part L of chapter 56 of the
21 laws of 2025, is amended to read as follows:

22 (c) Notwithstanding the provisions of paragraphs (a) and (b) of this
23 subdivision, the real property of a state urban development corporation
24 project acquired, owned, constructed, managed or operated by a company
25 incorporated pursuant to the not-for-profit corporation law and this
26 article shall be entitled to all the benefits provided by section four
27 hundred twenty-two of the real property tax law. The real property of a
28 state urban development corporation project, other than a state urban
29 development corporation project acquired, owned, constructed, managed or
30 operated by a company incorporated pursuant to the not-for-profit corpo-
31 ration law and this article, shall be exempt from all local and municip-
32 al taxes, other than assessments for local improvements, to the extent
33 of the value of the property included in such project as represents an
34 increase over the assessed valuation of the real property, both land and
35 improvements, acquired for the project on the date of its acquisition by
36 the limited-profit housing company, provided that the amount of such
37 taxes to be paid for projects located or to be located in a municipality
38 with a population of less than one million shall not be less than ten
39 per centum of the annual shelter rent or carrying charges of such
40 project, as defined in paragraph (a) hereof, except that in a city with
41 a population of one million or more, the amount of such taxes shall not
42 be [~~no more than five per centum of the annual shelter rent or carrying~~
43 ~~charges of the project~~] assessed. Upon the consent of the local legis-
44 lative body of the municipality, other than a city with a population of
45 one million or more, in which the project is located, the amount of such
46 taxes may be further reduced to five per centum or less of the annual
47 shelter rent or carrying charges of the project. Any such granted
48 consent to reduce the amount of such taxes shall expire every ten years.
49 If such authorization is not renewed, the rate of taxation shall revert
50 to the level established before the consent was granted. The tax
51 exemption shall operate and continue so long as the mortgage loans of
52 such limited profit housing company, including any additional mortgage
53 loan the proceeds of which are used primarily for the residential
54 portion of the project, which additional loan is approved by the commis-
55 sioner or the supervising agency, are outstanding and the project is
56 continued to be operated as a limited-profit housing project. If a state

1 urban development corporation project qualifying for tax exemption
2 pursuant to this paragraph is sold, with the approval of the commission-
3 er, to another limited-profit housing company, such successor company
4 shall be entitled to all the benefits of this paragraph. In the event
5 that such sale is to a company incorporated pursuant to the not-for-pro-
6 fit corporation law and this article, such successor company shall be
7 entitled to all the benefits provided by section four hundred twenty-two
8 of the real property tax law.

9 § 3. Paragraph (d) of subdivision 1 of section 33 of the private hous-
10 ing finance law, as amended by section 3 of part L of chapter 56 of the
11 laws of 2025, is amended to read as follows:

12 (d) Notwithstanding the provisions of paragraphs (a) and (b) of this
13 subdivision, when a project is financed with a mortgage loan pursuant to
14 this article or article three of this chapter and (i) there is a partic-
15 ipation, new loan or investment pursuant to section twenty-three-b of
16 this article or (ii) such mortgage loan is assigned, modified or satis-
17 fied pursuant to section twenty-three-a or forty-four-b or subdivision
18 twenty-two-a of section six hundred fifty-four of this chapter, the real
19 property of the project shall be exempt from all local and municipal
20 taxes, other than assessments for local improvements, to the extent of
21 the value of the real property included in such project which represents
22 an increase over the assessed valuation of the real property, both land
23 and improvements, acquired for the project on the date of its original
24 acquisition for the project by the original mortgagor under a mortgage
25 loan pursuant to this article or article three of this chapter, provided
26 that the amount of taxes to be paid on the project for projects located
27 or to be located in a municipality with a population of less than one
28 million shall not be less than ten per centum of the annual shelter rent
29 or carrying charges of such project, as defined in paragraph (a) of this
30 subdivision, except that in a city with a population of one million or
31 more, the amount of such taxes shall not be [~~no more than five per~~
32 ~~centum of the annual shelter rent or carrying charges of the project~~]
33 assessed. Upon the consent of the local legislative body of the munici-
34 pality, other than a city with a population of one million or more, in
35 which the project is located, the amount of such taxes may be further
36 reduced to five per centum or less of the annual shelter rent or carry-
37 ing charges of the project. Any such granted consent to reduce the
38 amount of such taxes shall expire every ten years. If such authorization
39 is not renewed, the rate of taxation shall revert to the level estab-
40 lished before the consent was granted. Such tax exemption shall commence
41 in each instance from the date when the project becomes subject to a
42 mortgage insured by the federal government and shall operate and contin-
43 ue so long as a mortgage on such project is insured or held by the
44 federal government or so long as the project is thereafter owned by the
45 federal government or so long as any residual indebtedness is outstand-
46 ing, whichever is longer. When there is a participation, new loan or
47 investment pursuant to section twenty-three-b of this article, such
48 participation, new loan or investment shall be deemed to be the equiv-
49 alent of a federally insured mortgage for purposes of this paragraph.
50 Nothing contained in this paragraph shall be construed to limit or
51 otherwise impair the benefits available to any company eligible for
52 exemption from taxation pursuant to section thirty-one or section thir-
53 ty-six-a of this article, section four hundred twenty-two or section
54 four hundred sixty-seven-c of the real property tax law, or section
55 fifty-eight of the public housing law. The foregoing shall not be deemed
56 to authorize any company to receive the benefits of any exemption from

1 taxation in contravention of the provisions of section two of article
2 eighteen of the constitution.

3 § 4. Subdivision 4 of section 33 of the private housing finance law,
4 as amended by section 4 of part L of chapter 56 of the laws of 2025,
5 is amended to read as follows:

6 4. Notwithstanding the provisions of subdivision one [~~hereof~~] of this
7 section, when a mutual company is organized under this article to facil-
8 itate the acquisition of a building by residents thereof, the amount of
9 local and municipal taxes, other than assessments for local improve-
10 ments, to be paid on the real property included in such project, both
11 land and improvements, shall not exceed twenty per centum of the annual
12 shelter rent or carrying charges of such project, as defined in para-
13 graph (a) of subdivision one [~~hereof~~] of this section; provided, howev-
14 er, that where such acquisition of a building by residents thereof
15 involves the financing of rehabilitation or other improvement as well as
16 acquisition, upon the consent of the local legislative body of the muni-
17 cipality in which the project is located the amount of such taxes for
18 projects located or to be located in a municipality with a population of
19 less than one million may be further reduced provided that such amount
20 shall not be less than ten per centum of the annual shelter rent or
21 carrying charges of the project, as defined in paragraph (a) of subdivi-
22 sion one [~~hereof~~] of this section, or such other amount less than ten
23 per centum approved by the local legislative body of such municipality;
24 or the company may in lieu of requesting such consent apply for the
25 benefits of the local law, if any, enacted pursuant to section four
26 hundred eighty-nine of the real property tax law. Notwithstanding any
27 other provision of this subdivision, in a city with a population of one
28 million or more, the amount of such taxes shall not be [~~no more than~~
29 ~~five per centum of the annual shelter rent or carrying charges of the~~
30 ~~project~~] assessed. Upon the consent of the local legislative body of the
31 municipality, other than a city with a population of one million or
32 more, in which the project is located, the amount of such taxes may be
33 further reduced to five per centum or less of the annual shelter rent or
34 carrying charges of the project. Any such granted consent to reduce the
35 amount of such taxes shall expire every ten years. If such authorization
36 is not renewed, the rate of taxation shall revert to the level estab-
37 lished before the consent was granted. Such tax exemption, if any,
38 granted pursuant to this article shall operate and continue so long as a
39 loan made under this article or any subsequent loan approved by the
40 commissioner or the supervising agency to enhance the residential
41 portion of the project and the project is continued to be operated for
42 the purposes set forth in this article is outstanding.

43 § 5. Paragraph (a-4) of subdivision 1 of section 125 of the private
44 housing finance law, as amended by chapter 430 of the laws of 2025, is
45 amended to read as follows:

46 (a-4) Any inconsistent provision of law notwithstanding, in a city
47 having a population of one million or more, where a local legislative
48 body has acted to extend the tax exemption of a mutual redevelopment
49 company for the maximum period provided for in paragraph (a-2) of this
50 subdivision, the local legislative body may grant an additional full tax
51 exemption [~~for a period of up to fifty years, provided that the amount~~
52 ~~of taxes to be paid during any such period of tax exemption shall be not~~
53 ~~less than an amount equal to the lesser of (i) five per centum of the~~
54 ~~annual rent or carrying charges of the project minus utilities for the~~
55 ~~residential portion of the project, or (ii) the taxes payable by such~~
56 ~~company for the residential portion of the project during the tax year~~

1 ~~commencing July first, two thousand and ending on June thirtieth, two~~
2 ~~thousand one] to such a company.~~ Such grant of an additional full tax
3 exemption [~~period~~] shall take effect upon the expiration of the maximum
4 period provided for in paragraph (a-2) of this subdivision.
5 § 6. This act shall take effect immediately.