

# STATE OF NEW YORK

6654--B

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 -- again reported from said committee with amendments, 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 be no  
20 more than five per centum of the annual shelter rent or carrying charges  
21 of the project or, upon consent of the local legislative body, the

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

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

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

26 (c) Notwithstanding the provisions of paragraphs (a) and (b) of this  
27 subdivision, the real property of a state urban development corporation  
28 project acquired, owned, constructed, managed or operated by a company  
29 incorporated pursuant to the not-for-profit corporation law and this  
30 article shall be entitled to all the benefits provided by section four  
31 hundred twenty-two of the real property tax law. The real property of a  
32 state urban development corporation project, other than a state urban  
33 development corporation project acquired, owned, constructed, managed or  
34 operated by a company incorporated pursuant to the not-for-profit corpo-  
35 ration law and this article, shall be exempt from all local and munici-  
36 pal taxes, other than assessments for local improvements, to the extent  
37 of the value of the property included in such project as represents an  
38 increase over the assessed valuation of the real property, both land and  
39 improvements, acquired for the project on the date of its acquisition by  
40 the limited-profit housing company, provided that the amount of such  
41 taxes to be paid for projects located or to be located in a municipality  
42 with a population of less than one million shall not be less than ten  
43 per centum of the annual shelter rent or carrying charges of such  
44 project, as defined in paragraph (a) hereof, except that in a city with  
45 a population of one million or more, the amount of such taxes shall be  
46 no more than five per centum of the annual shelter rent or carrying  
47 charges of the project or, upon consent of the local legislative body,  
48 the amount of such taxes may be further reduced to five per centum or  
49 less, including a full reduction, of the annual shelter rent or carrying  
50 charges of the project. Upon the consent of the local legislative body  
51 of the municipality, other than a city with a population of one million  
52 or more, in which the project is located, the amount of such taxes may  
53 be further reduced to five per centum or less, including a full  
54 reduction, of the annual shelter rent or carrying charges of the  
55 project. Any such granted consent to reduce the amount of such taxes  
56 shall expire every ten years. If such authorization is not renewed, the

1 rate of taxation shall revert to the level established before the  
2 consent was granted. The tax exemption shall operate and continue so  
3 long as the mortgage loans of such limited profit housing company,  
4 including any additional mortgage loan the proceeds of which are used  
5 primarily for the residential portion of the project, which additional  
6 loan is approved by the commissioner or the supervising agency, are  
7 outstanding and the project is continued to be operated as a limited-  
8 profit housing project. If a state urban development corporation project  
9 qualifying for tax exemption pursuant to this paragraph is sold, with  
10 the approval of the commissioner, to another limited-profit housing  
11 company, such successor company shall be entitled to all the benefits of  
12 this paragraph. In the event that such sale is to a company incorporated  
13 pursuant to the not-for-profit corporation law and this article, such  
14 successor company shall be entitled to all the benefits provided by  
15 section four hundred twenty-two of the real property tax law.

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

19 (d) Notwithstanding the provisions of paragraphs (a) and (b) of this  
20 subdivision, when a project is financed with a mortgage loan pursuant to  
21 this article or article three of this chapter and (i) there is a partic-  
22 ipation, new loan or investment pursuant to section twenty-three-b of  
23 this article or (ii) such mortgage loan is assigned, modified or satis-  
24 fied pursuant to section twenty-three-a or forty-four-b or subdivision  
25 twenty-two-a of section six hundred fifty-four of this chapter, the real  
26 property of the project shall be exempt from all local and municipal  
27 taxes, other than assessments for local improvements, to the extent of  
28 the value of the real property included in such project which represents  
29 an increase over the assessed valuation of the real property, both land  
30 and improvements, acquired for the project on the date of its original  
31 acquisition for the project by the original mortgagor under a mortgage  
32 loan pursuant to this article or article three of this chapter, provided  
33 that the amount of taxes to be paid on the project for projects located  
34 or to be located in a municipality with a population of less than one  
35 million shall not be less than ten per centum of the annual shelter rent  
36 or carrying charges of such project, as defined in paragraph (a) of this  
37 subdivision, except that in a city with a population of one million or  
38 more, the amount of such taxes shall be no more than five per centum of  
39 the annual shelter rent or carrying charges of the project or, upon  
40 consent of the local legislative body, the amount of such taxes may be  
41 further reduced to five per centum or less, including a full reduction,  
42 of the annual shelter rent or carrying charges of the project. Upon the  
43 consent of the local legislative body of the municipality, other than a  
44 city with a population of one million or more, in which the project is  
45 located, the amount of such taxes may be further reduced to five per  
46 centum or less, including a full reduction, of the annual shelter rent  
47 or carrying charges of the project. Any such granted consent to reduce  
48 the amount of such taxes shall expire every ten years. If such authori-  
49 zation is not renewed, the rate of taxation shall revert to the level  
50 established before the consent was granted. Such tax exemption shall  
51 commence in each instance from the date when the project becomes subject  
52 to a mortgage insured by the federal government and shall operate and  
53 continue so long as a mortgage on such project is insured or held by the  
54 federal government or so long as the project is thereafter owned by the  
55 federal government or so long as any residual indebtedness is outstand-  
56 ing, whichever is longer. When there is a participation, new loan or

1 investment pursuant to section twenty-three-b of this article, such  
2 participation, new loan or investment shall be deemed to be the equiv-  
3 alent of a federally insured mortgage for purposes of this paragraph.  
4 Nothing contained in this paragraph shall be construed to limit or  
5 otherwise impair the benefits available to any company eligible for  
6 exemption from taxation pursuant to section thirty-one or section thir-  
7 ty-six-a of this article, section four hundred twenty-two or section  
8 four hundred sixty-seven-c of the real property tax law, or section  
9 fifty-eight of the public housing law. The foregoing shall not be deemed  
10 to authorize any company to receive the benefits of any exemption from  
11 taxation in contravention of the provisions of section two of article  
12 eighteen of the constitution.

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

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

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

4 (a-4) Any inconsistent provision of law notwithstanding, in a city  
5 having a population of one million or more, where a local legislative  
6 body has acted to extend the tax exemption of a mutual redevelopment  
7 company for the maximum period provided for in paragraph (a-2) of this  
8 subdivision, the local legislative body may grant an additional tax  
9 exemption for a period of up to fifty years, provided that the amount of  
10 taxes to be paid during any such period of tax exemption shall be not  
11 less than an amount equal to the lesser of (i) five per centum of the  
12 annual rent or carrying charges of the project minus utilities for the  
13 residential portion of the project, (ii) upon the authorization of the  
14 local legislative body, less than five per centum of the annual rent or  
15 carrying charges of the project minus utilities for the residential  
16 portion of the project, up to a full tax exemption, or [~~(ii)~~] (iii) the  
17 taxes payable by such company for the residential portion of the project  
18 during the tax year commencing July first, two thousand and ending on  
19 June thirtieth, two thousand one. Such grant of an additional tax  
20 exemption [~~period~~] shall take effect upon the expiration of the maximum  
21 period provided for in paragraph (a-2) of this subdivision.

22 § 6. Subdivision 8 of section 93 of the private housing finance law,  
23 as added by section 5 of part L of chapter 56 of the laws of 2025, is  
24 amended to read as follows:

25 8. Notwithstanding any other provision of this section, the maximum  
26 combined local and municipal taxes, other than assessments for local  
27 improvements, that a project operated by a housing company established  
28 pursuant to this article, and which is eligible for a tax exemption  
29 pursuant to any other subdivision of this section, shall be required to  
30 pay in a city with a population of one million or more shall be no more  
31 than the equivalent of five per centum of the annual shelter rent or  
32 carrying charges of such project or, upon consent of the local legisla-  
33 tive body, the amount of such taxes may be further reduced to five per  
34 centum or less, including a full reduction, of the annual shelter rent  
35 or carrying charges of the project. Upon the consent of the local legis-  
36 lative body of the municipality, other than a city with a population of  
37 one million or more, in which the project is located, the amount of such  
38 taxes may be further reduced to five per centum or less, including a  
39 full reduction, of the annual shelter rent or carrying charges of the  
40 project. Any such granted consent to reduce the amount of such taxes  
41 shall expire every ten years. If such authorization is not renewed, the  
42 rate of taxation shall revert to the level established before the  
43 consent was granted. For the purposes of this subdivision, "shelter  
44 rent" shall have the same meaning as such term is defined to have in  
45 paragraph a of subdivision one of section thirty-three of this chapter.

46 § 7. This act shall take effect immediately.