

STATE OF NEW YORK

7987

2025-2026 Regular Sessions

IN ASSEMBLY

April 16, 2025

Introduced by M. of A. LUCAS -- read once and referred to the Committee on Ways and Means

AN ACT to amend the private housing finance law, in relation to 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 shall not be less than ten per centum of the annual
16 shelter rent or carrying charges of such project except that for
17 projects located or to be located in a city of a population of one
18 million or more, [~~upon the consent of the local legislative body of the
19 municipality, the amount of such taxes to be paid may be set at not less
20 than (i) the taxes payable with respect to the real property in such
21 project with respect to the year nineteen hundred seventy three, or,
22 (ii) if such project was not occupied in such year, not less than ten
23 per centum of the annual shelter rent or carrying charges first estab-
24 lished pursuant to subdivision one of section thirty-one of this arti-
25 cle]~~ the amount of such taxes shall be no more than zero per centum of

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

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1 the annual shelter rent or carrying charges of the project. Upon the
2 consent of the local legislative body of a municipality, other than a
3 city with a population of one million or more, in which the project is
4 located, the amount of such taxes may be further reduced to zero per
5 centum or less of the annual shelter rent or carrying charges of the
6 project. Any such granted consent to reduce the amount of such taxes
7 shall expire every ten years. If such authorization is not renewed, the
8 rate of taxation shall revert to the level established before the
9 consent was granted. Shelter rent shall mean the total rents received

10 from the occupants of a project less the cost of providing to the occu-
11 pants electricity, gas, heat and other utilities. Total rents shall
12 include rent supplements and subsidies received from the federal govern-
13 ment, the state or a municipality on behalf of such occupants[7] but
14 shall not include interest reduction payments pursuant to subdivision
15 (a) of section two hundred one of the Federal Housing and Urban Develop-
16 ment Act of nineteen hundred sixty-eight. The tax exemption shall oper-
17 ate and continue so long as the mortgage loans of the company, including
18 any additional mortgage loan the proceeds of which are used primarily
19 for the residential portion of the project, which additional loan is
20 approved by the commissioner or the supervising agency, are outstanding.

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

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

1 profit housing project. If a state urban development corporation project
2 qualifying for tax exemption pursuant to this paragraph is sold, with
3 the approval of the commissioner, to another limited-profit housing
4 company, such successor company shall be entitled to all the benefits of
5 this paragraph. In the event that such sale is to a company incorporated
6 pursuant to the not-for-profit corporation law and this article, such
7 successor company shall be entitled to all the benefits provided by
8 section four hundred twenty-two 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 chapter 744 of the laws of 1977, is
11 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 shall not be less
27 than ten per centum of the annual shelter rent or carrying charges of
28 such project, as defined in paragraph (a) of this subdivision, except
29 that in a city with a population of one million or more, the amount of
30 such taxes shall be no more than zero per centum of the annual shelter
31 rent or carrying charges of the project. Upon the consent of the local
32 legislative body of the municipality, other than a city with a popu-
33 lation of one million or more, in which the project is located, the
34 amount of such taxes may be further reduced to zero per centum or less
35 of the annual shelter rent or carrying charges of the project. Any such
36 granted consent to reduce the amount of such taxes shall expire every
37 ten years. If such authorization is not renewed, the rate of taxation
38 shall revert to the level established before the consent was granted.

39 Such tax exemption shall commence in each instance from the date when
40 the project becomes subject to a mortgage insured by the federal govern-
41 ment and shall operate and continue so long as a mortgage on such
42 project is insured or held by the federal government or so long as the
43 project is thereafter owned by the federal government or so long as any
44 residual indebtedness is outstanding, whichever is longer. When there is
45 a participation, new loan or investment pursuant to section twenty-
46 three-b of this article, such participation, new loan or investment
47 shall be deemed to be the equivalent of a federally insured mortgage for
48 purposes of this paragraph. Nothing contained in this paragraph shall be
49 construed to limit or otherwise impair the benefits available to any
50 company eligible for exemption from taxation pursuant to section thir-
51 ty-one or section thirty-six-a of this article, section four hundred
52 twenty-two or section four hundred sixty-seven-c of the real property
53 tax law, or section fifty-eight of the public housing law. The foregoing
54 shall not be deemed to authorize any company to receive the benefits of
55 any exemption from taxation in contravention of the provisions of
56 section two of article eighteen of the constitution.

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

4 4. Notwithstanding the provisions of subdivision one hereof, when a
5 mutual company is organized under this article to facilitate the acqui-
6 sition of a building by residents thereof, the amount of local and
7 municipal taxes, other than assessments for local improvements, to be
8 paid on the real property included in such project, both land and
9 improvements, shall not exceed twenty per centum of the annual shelter
10 rent or carrying charges of such project, as defined in paragraph (a) of
11 subdivision one hereof; provided, however, that where such acquisition
12 of a building by residents thereof involves the financing of rehabili-
13 tation or other improvement as well as acquisition, upon the consent of
14 the local legislative body of the municipality in which the project is
15 located the amount of such taxes may be further reduced provided that
16 such amount shall not be less than ten per centum of the annual shelter
17 rent or carrying charges of the project, as defined in paragraph (a) of
18 subdivision one hereof; or the company may in lieu of requesting such
19 consent apply for the benefits of the local law, if any, enacted pursu-
20 ant to section four hundred eighty-nine of the real property tax law.

21 Notwithstanding any other provision of this subdivision, in a city with
22 a population of one million or more, the amount of such taxes shall be
23 no more than zero per centum of the annual shelter rent or carrying
24 charges of the project. Upon the consent of the local legislative body
25 of the municipality, other than a city with a population of one million
26 or more, in which the project is located, the amount of such taxes may
27 be further reduced to zero per centum or less of the annual shelter rent
28 or carrying charges of the project. Any such granted consent to reduce
29 the amount of such taxes shall expire every ten years. If such authori-
30 zation is not renewed, the rate of taxation shall revert to the level
31 established before the consent was granted. Such tax exemption, if any,
32 granted pursuant to this article shall operate and continue so long as a
33 loan made under this article or any subsequent loan approved by the
34 commissioner or the supervising agency to enhance the residential
35 portion of the project and the project is continued to be operated for
36 the purposes set forth in this article is outstanding.

37 § 5. This act shall take effect immediately.