

STATE OF NEW YORK

1451

2025-2026 Regular Sessions

IN SENATE

January 10, 2025

Introduced by Sens. KAVANAGH, GOUNARDES, JACKSON -- read twice and ordered printed, and when printed to be committed to the Committee on Cities 1

AN ACT to amend the real property tax law, in relation to creating the Neighborhood Small Business Rent Increase Exemption

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

1 Section 1. Short title. This act shall be known and may be cited as
2 the "Neighborhood Small Business Rent Increase Exemption".

3 § 2. Article 4 of the real property tax law is amended by adding a new
4 title 7 to read as follows:

5 TITLE 7

6 TAX ABATEMENT FOR LIMITING RENT INCREASES ON NEIGHBORHOOD

7 SMALL BUSINESSES

8 IN A CITY OF ONE MILLION OR MORE PERSONS

9 Section 499-aaaaaa. Definitions.

10 499-bbbbbb. Authority to enact local law; real property tax
11 abatement.

12 499-cccccc. Eligibility requirements.

13 499-dddddd. Application for certificate of abatement.

14 499-eeeeee. Enforcement and administration.

15 499-ffffff. Reporting requirements; revocation of abatements.

16 499-gggggg. Tax lien; interest and penalty.

17 499-hhhhhh. Confidentiality.

18 § 499-aaaaaa. Definitions. When used in this title, the following
19 terms shall mean or include:

20 1. "Abatement base." The lesser of (i) two dollars and fifty cents of
21 the tax liability per square foot or (ii) fifty per centum of the tax
22 liability per square foot.

23 2. "Abatement zone." Any area of a city having a population of one
24 million or more designated by local law pursuant to this title as an

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

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1 abatement zone. Any tax lot that is partly located inside an abatement
2 zone shall be deemed to be entirely located inside such zone.

3 3. "Aggregate floor area." The sum of the gross areas of the several
4 floors of a building, measured from the exterior faces of exterior walls
5 or from the center lines of walls separating two buildings.

6 4. "Applicant." The landlord and the tenant.

7 5. "Benefit period." The period commencing with the first day of the
8 month immediately following the rent commencement date and terminating
9 no later than one hundred twenty months thereafter.

10 6. "Billable assessed value." The lesser of the taxable transitional
11 or the taxable actual assessed value of the eligible building and the
12 land on which the eligible building is located for the fiscal year in
13 which the benefit period commences.

14 7. "Commercial activities." The buying, selling or otherwise providing
15 of goods or services by a small business.

16 8. "Department of finance." The department of finance of any city
17 having a population of one million or more.

18 9. "Eligible building." With respect to the abatement zone defined in
19 subdivision two of this section, a non-residential or mixed-use building
20 which shall not include any building owned by a governmental agency.
21 Each condominium unit in a building that meets the requirements of this
22 subdivision shall be considered a separate eligible building.

23 10. "Eligibility period." The period commencing April first, two thou-
24 sand twenty-five and terminating March thirty-first, two thousand
25 forty-one.

26 11. "Eligible premises." With respect to the abatement zone defined in
27 subdivision two of this section, premises located in an eligible build-
28 ing that (a) are occupied or used for retail purposes and (b) are occu-
29 pied or used by a tenant under a lease that meets the eligibility
30 requirements of section four hundred ninety-nine-cccccc of this title.

31 12. "Fiscal year." The fiscal year of any city having a population of
32 one million or more.

33 13. "Governmental agency." The United States of America or any agency
34 or instrumentality thereof, the state of New York, the city of New York,
35 any public corporation (including a body corporate and politic created
36 pursuant to agreement or compact between the state of New York and any
37 other state), public benefit corporation, public authority or other
38 political subdivision of the state.

39 14. "Landlord." Any person who (a) controls all non-residential
40 portions of an eligible building, including, without limitation, the
41 record owner, the lessee under a ground lease, any mortgagee in
42 possession or any receiver, and (b) who grants the right to use or occu-
43 py eligible premises to any tenant, provided that landlord shall not
44 include any lessee who at any time during the lease term occupied or
45 used or occupies or uses any part of the non-residential portions of
46 such eligible building, other than premises occupied or used by such
47 lessee to provide rental or management services to such building.

48 15. "Lease commencement date." The date set forth in the lease on
49 which the term of the lease commences.

50 16. "Mixed-use building." A building used for both residential and
51 commercial activities, provided that more than twenty-five per centum of
52 the aggregate floor area of such building is used or held out for use as
53 commercial, community facility or accessory use space.

54 17. "Person." An individual, corporation, limited liability company,
55 partnership, association, agency, trust, estate, foreign or domestic
56 government or subdivision thereof, or other entity.

1 18. "Renewal tenant." A person who (a) occupies premises in an eligi-
2 ble building under a lease which expires during the eligibility period
3 and (b) executes a lease for the continued occupancy of all or part of
4 such premises or all or part of such premises and additional premises in
5 such eligible building, provided such premises are eligible premises and
6 such lease meets the eligibility requirements of section four hundred
7 ninety-nine-cccccc of this title.

8 19. "Rent commencement date." The date set forth in the lease on which
9 the obligation to pay basic fixed rent shall commence.

10 20. "Retail purposes" means any activity that consists predominantly
11 of (a) the final sale of tangible personal property or services by a
12 vendor as defined in section eleven hundred one of the tax law, (b) the
13 sale of services that generally involve the physical, mental, and/or
14 spiritual care of individuals or the physical care of the personal prop-
15 erty of individuals, (c) the final sale of food and/or beverage by a
16 vendor as defined in section eleven hundred one of the tax law, includ-
17 ing the assembly, processing or packaging of goods, provided that sales
18 of such tangible personal property or services are predominantly to
19 purchasers who personally visit the facilities at which such sales are
20 made or such property and services are provided. "Retail purposes" shall
21 not include hotel uses as described in subdivision four of section four
22 hundred ninety-nine-cccccc of this article.

23 21. "Small business." A business engaged in commercial activities that
24 employs fifty or fewer persons.

25 22. "Subtenant." A person whose right to occupy and use the eligible
26 premises is not derived from a lease with the landlord.

27 23. "Tax commission." The tax commission in any city having a popu-
28 lation of one million or more.

29 24. "Tax liability." The product obtained by multiplying the billable
30 assessed value for the fiscal year in which the benefit period commences
31 by the tax rate applicable to the eligible building for such fiscal year
32 as set by the local legislative body of any city having a population of
33 one million or more.

34 25. "Tax liability per square foot." The tax liability divided by the
35 total number of square feet in the eligible building, as listed on the
36 records of the department of finance.

37 26. "Tenant." A person, including any successors in interest, who
38 executes a lease with the landlord for the right to occupy or use the
39 eligible premises and who occupies or uses the eligible premises pursu-
40 ant to such lease. Tenant shall not include any subtenant. When used in
41 this title, "tenant" includes "renewal tenant."

42 27. "Tenant's percentage share." The percentage of the eligible
43 building's aggregate floor area allocated to the eligible premises,
44 which shall be presumed to be such percentage as set forth in the lease
45 for the eligible premises.

46 § 499-bbbbbb. Authority to enact local law; real property tax abate-
47 ment. 1. Any city having a population of one million or more, acting
48 through its local legislative body, is authorized and empowered to
49 determine that incentives in the form of abatement of real property
50 taxes are necessary to encourage vibrant neighborhood small business
51 activity in designated areas of such city, to enact a local law provid-
52 ing that such benefits shall be provided in the manner set forth in this
53 title, and to designate by local law the boundaries of one or more
54 abatement zones in which such benefits shall be provided.

1 2. Within an abatement zone so designated, eligible buildings contain-
2 ing eligible premises shall receive an abatement of real property
3 taxes during the benefit period as follows:

4 (a) for each of the first five years of the benefit period, the abate-
5 ment shall be equal to the product obtained by (i) multiplying the
6 tenant's percentage share by the number of square feet in the eligible
7 building, as listed on the records of the department of finance and (ii)
8 multiplying the product obtained in subparagraph (i) of this paragraph
9 by the abatement base;

10 (b) for the sixth, seventh, and eighth year of the benefit period, the
11 abatement shall be equal to two-thirds of the abatement in the first
12 year of the benefit period; and

13 (c) for the ninth and tenth year of the benefit period, the abatement
14 shall be equal to one-third of the abatement in the first year of the
15 benefit period.

16 3. If, as a result of application to the tax commission or a court
17 order or action by the department of finance, the billable assessed
18 value is reduced, the department of finance shall recalculate the abate-
19 ment utilizing such reduced billable assessed value. The amount equal to
20 the difference between the abatement originally granted and the abate-
21 ment as so recalculated shall be deducted from any refund otherwise
22 payable or remission otherwise due as a result of such reduction in
23 billable assessed value, and any balance of such amount remaining unpaid
24 after making any such deduction shall be paid to the department of
25 finance within thirty days from the date of mailing by the department of
26 finance of a notice of the amount payable. Such amount payable shall
27 constitute a tax lien on the eligible building as of the date of such
28 notice and, if not paid within such thirty-day period, penalty and
29 interest at the rate applicable to delinquent taxes on such eligible
30 building shall be charged and collected on such amount from the date of
31 such notice to the date of payment.

32 4. In no event shall the abatement for the eligible premises granted
33 pursuant to this title exceed the tax liability allocable to the eligi-
34 ble premises.

35 5. Notwithstanding the provisions of any lease for occupancy of non-
36 eligible premises in an eligible building or for occupancy of eligible
37 premises for which no certificate of abatement has been issued pursuant
38 to this title, a lessee of non-eligible premises or of eligible premises
39 for which no certificate of abatement has been issued pursuant to this
40 title shall not be entitled to receive directly or indirectly a
41 reduction in either the real property taxes or any rent (including addi-
42 tional rent) payable pursuant to such lease where such reduction would
43 result from an abatement of real property taxes granted pursuant to this
44 title. A landlord of an eligible building shall not allocate, credit,
45 assign or disburse any portion of an abatement granted pursuant to this
46 title to a lessee of non-eligible premises or of eligible premises for
47 which no certificate of abatement has been issued pursuant to this
48 title. A landlord shall not be required to reduce the real property
49 taxes or any rent (including additional rent) payable by renewal tenants
50 by an amount that exceeds the full amount of the abatement granted
51 pursuant to this title, but a landlord shall be required to reduce the
52 real property taxes or any rent (including additional rent) payable by
53 renewal tenants by an amount that, in the aggregate, equals the full
54 amount of the abatement granted pursuant to this title. Such reduction
55 shall be allocated in accordance with the abatement granted for the
56 eligible premises occupied by each such tenant.

1 6. A tenant who occupies or uses eligible premises for which a certifi-
2 cate of abatement is issued pursuant to this title shall not be eligi-
3 ble to receive a second certificate of abatement for the same eligible
4 premises. A tenant who occupies or uses eligible premises for which a
5 certificate of abatement is issued pursuant to this title and who, upon
6 the expiration of the lease for such eligible premises, relocates to
7 otherwise eligible premises, shall not be eligible to receive a certifi-
8 cate of abatement for such otherwise eligible premises, except to the
9 extent that the square footage of such otherwise eligible premises
10 exceeds the square footage of all eligible premises previously occupied
11 or used by such tenant for which such tenant held a certificate of
12 abatement. If the square footage of such otherwise eligible premises
13 exceeds the square footage of all such eligible premises previously
14 occupied or used by such tenant and if there is any variation in the tax
15 liability per square foot of such otherwise eligible premises, then, for
16 purposes of determining which square footage in such otherwise eligible
17 premises is entitled to an abatement pursuant to this title, square
18 footage with the greatest tax liability per square foot, in an amount
19 equal to the square footage of all such eligible premises previously
20 occupied or used by such tenant, shall first be excluded.

21 § 499-cccc. Eligibility requirements. 1. No abatement shall be
22 granted pursuant to this title unless:

23 (a) the landlord enters into a ten year lease for eligible premises
24 with a tenant and (b) such landlord includes within such lease with a
25 tenant a renewal clause that limits a rent increase to no more than
26 three percent annually.

27 2. No abatement shall be granted pursuant to this title if an appli-
28 cant shall fail to meet any of the requirements of this title within
29 sixty days of the rent commencement date.

30 3. For purposes of this title, the expiration date of a lease shall be
31 determined by the expiration date set forth in such lease, without
32 giving effect to any rights of the landlord or the tenant to terminate
33 such lease prior to the expiration date set forth therein.

34 4. The lease for the eligible premises shall contain the following
35 provisions:

36 (a) a statement of the tenant's percentage share;

37 (b) a statement certifying the percentage of eligible premises occu-
38 pied or used for retail purposes, as defined in subdivision twenty of
39 section four hundred ninety-nine-aaaaaa of this title; and

40 (c) a statement informing the tenant in at least twelve-point type
41 that:

42 (1) an application for abatement of real property taxes pursuant to
43 this title will be made for the premises;

44 (2) the rent, including amounts payable by the tenant for real proper-
45 ty taxes, will accurately reflect any abatement of real property taxes
46 granted pursuant to this title for the premises;

47 (3) a renewal of the lease will not increase rent by more than three
48 percent annually pursuant to the lease agreement;

49 (4) all abatements granted with respect to a building pursuant to this
50 title will be revoked if, during the benefit period, real estate taxes
51 or water or sewer charges or other lienable charges are unpaid for more
52 than one year, unless such delinquent amounts are paid as provided in
53 subdivision four of section four hundred ninety-nine-ffffff of this
54 title; and

55 (5) all benefits granted with respect to eligible premises will be
56 reduced if, during the benefit period, the aggregate floor area of such

1 eligible premises occupied or used for commercial activities, as defined
2 in subdivision seven of section four hundred ninety-nine-aaaaa of this
3 title, is reduced.

4 5. No abatement shall be granted pursuant to this title if:

5 (a) the lease for the eligible premises provides that during the
6 initial lease term required by subdivision one of this section either
7 the landlord or the tenant may terminate such lease prior to the expira-
8 tion date of such required initial lease term; provided that such lease
9 may provide that either the landlord or the tenant may terminate such
10 lease if (1) the other party is in default of any of such party's obli-
11 gations under the lease, (2) the eligible premises are damaged or
12 destroyed by fire or other casualty, (3) the eligible premises are
13 rendered unusable for any reason not attributable to any act or failure
14 to act of either tenant or landlord, or (4) the eligible premises are
15 acquired by eminent domain; and

16 (b) there are real property taxes, water or sewer charges or other
17 lienable charges currently due and owing on the eligible building which
18 is the subject of an application for abatement pursuant to this title,
19 unless such real property taxes or charges are currently being paid in
20 timely installments pursuant to a written agreement with the department
21 of finance or other appropriate agency.

22 6. No abatement shall be granted pursuant to this title unless the
23 applicant shall file, together with the application, an affidavit
24 setting forth the following information:

25 (a) a statement that within the seven years immediately preceding the
26 date of application for a certificate of abatement, neither the appli-
27 cant nor any person owning a substantial interest in the eligible build-
28 ing as defined in paragraph (c) of this subdivision, nor any officer,
29 director or general partner of the applicant or such person was finally
30 adjudicated by a court of competent jurisdiction to have violated
31 section two hundred thirty-five of the real property law or any section
32 of article one hundred fifty of the penal law or any similar arson law
33 of another jurisdiction with respect to any building, or was an officer,
34 director or general partner of a person at the time such person was
35 finally adjudicated to have violated such law; and

36 (b) a statement setting forth any pending charges alleging violation
37 of section two hundred thirty-five of the real property law or any
38 section of article one hundred fifty of the penal law or any similar
39 arson law of another jurisdiction with respect to any building by the
40 applicant or any person owning a substantial interest in the eligible
41 building as defined in paragraph (c) of this subdivision, or any offi-
42 cer, director or general partner of the applicant or such person, or any
43 person for whom the applicant or person owning a substantial interest in
44 the eligible building is an officer, director or general partner.

45 (c) for purposes of this subdivision and subdivision seven of section
46 four hundred ninety-nine-ffffff of this title, "substantial interest"
47 shall mean ownership and control of an interest of ten per centum or
48 more in the eligible building or in any person owning the eligible
49 building.

50 § 499-dddddd. Application for certificate of abatement. 1. Applica-
51 tion for a certificate of abatement may be made on or after April first,
52 two thousand twenty-five and until sixty days after the end of the
53 eligibility period. Applications shall be filed with the department of
54 finance. No application may be filed prior to the date on which the
55 lease for the eligible premises is executed by the landlord and tenant.

1 2. No abatement pursuant to this title shall be granted unless the
2 applicant files an application for a certificate of abatement within
3 sixty days following the lease commencement date.

4 3. In addition to any other information required by the department of
5 finance, the application for a certificate of abatement shall include an
6 abstract of the lease for the eligible premises for which an abatement
7 is being sought, which abstract is signed by the landlord and the
8 tenant. Such abstract shall include the tenant's percentage share, the
9 lease commencement date, the rent commencement date, the expiration date
10 for such lease and a description of the lease renewal clause, including
11 the annual rent increase percentage. Such application shall also include
12 (i) a statement of the number of persons who will, on the rent commence-
13 ment date, be employed in the eligible premises, (ii) a statement of the
14 location of all commercial space in the city of New York occupied by the
15 tenant prior to the execution of the lease for the eligible premises,
16 (iii) the commencement and expiration dates of all leases for eligible
17 premises, and (iv) the aggregate floor area of the eligible building.
18 Such application shall also state that the applicant agrees to comply
19 with and be subject to the rules issued from time to time by the depart-
20 ment of finance.

21 4. Within one hundred eighty days following the lease commencement
22 date, the applicant shall provide, in addition to any other information
23 required by the department of finance, evidence acceptable to the
24 department of finance of the number of employees in the eligible prem-
25 ises. The department of finance shall issue a certificate of abatement
26 upon determining that the applicant has submitted proof acceptable to
27 the department of finance that the applicant has met the requirements
28 set forth in this title.

29 5. The burden of proof shall be on the applicant to show by clear and
30 convincing evidence that the requirements for granting a certificate of
31 abatement have been satisfied. The department of finance shall have the
32 authority to require that statements in connection with such application
33 be made under oath.

34 6. The department of finance may provide by rule for reasonable admin-
35 istrative charges or fees necessary to defray expenses in administering
36 the abatement program provided by this title.

37 § 499-eeeeee. Enforcement and administration. The department of
38 finance shall have, in addition to any other functions, powers and
39 duties which have been or may be conferred on it by law, the following
40 functions, powers and duties:

41 1. To receive and review applications for certificates of abatement
42 under this title and issue such certificates where authorized pursuant
43 to this title.

44 2. To receive all certificates of continuing eligibility required by
45 section four hundred ninety-nine-ffffff of this title.

46 3. To collect all real property taxes, with interest and penalty, due
47 and owing as a result of reduction, termination or revocation of any
48 abatement granted pursuant to this title.

49 4. To make and promulgate rules to carry out the purposes of this
50 title.

51 § 499-ffffff. Reporting requirements; revocation of abatements. 1.
52 For the duration of the applicant's benefit period, the applicant shall
53 file annually with the department of finance, on or before July first of
54 each year, a certificate of continuing eligibility confirming that the
55 eligible premises are occupied by the tenant who originally executed the
56 lease and that the eligible premises are being used for the purposes

1 described in the application. Such certificate of continuing eligibil-
2 ity shall be on a form prescribed by the department of finance and shall
3 contain such additional information as the department of finance shall
4 require. The department of finance shall have the authority to terminate
5 abatements granted pursuant to this title upon failure of an applicant
6 to file such certificate by such July first date. The burden of proof
7 shall be on the applicant to establish continuing eligibility for bene-
8 fits and the department of finance shall have the authority to require
9 that statements made in such certificate shall be made under oath.

10 2. The department of finance shall revoke any abatement granted pursu-
11 ant to this title when the tenant who originally executed the lease is
12 no longer occupying the eligible premises. Such revocation shall be
13 retroactive to the date that such tenant vacated the eligible premises
14 and the department of finance shall require the landlord to pay, with
15 interest, any taxes which become payable as a result of such revocation.
16 The landlord shall notify the department of finance within thirty days
17 following the date on which such tenant vacated the eligible premises
18 and, for failure to comply with this notification requirement, shall be
19 liable for a penalty calculated for the same period as interest is
20 calculated pursuant to the preceding sentence.

21 3. If any portion of the premises for which an abatement has been
22 granted pursuant to this title ceases to be occupied or used as eligible
23 premises or is occupied by a subtenant, the department of finance shall
24 reduce the abatement granted pursuant to this title by an amount equal
25 to the percentage of such eligible premises which has ceased to be occu-
26 pied or used as eligible premises or is occupied by a subtenant. Such
27 reduction shall be retroactive to the date that such premises ceased to
28 be occupied or used as eligible premises or was occupied by a subtenant,
29 and the department of finance shall require the landlord to pay, with
30 interest, any taxes which become payable as a result of such reduction.
31 The landlord shall notify the department of finance within thirty days
32 following the date on which the premises ceased to be occupied or used
33 as eligible premises or was occupied by a subtenant and, for failure to
34 comply with this notification requirement, shall be liable for penalty
35 calculated for the same period as interest is calculated pursuant to the
36 preceding sentence.

37 4. If, during the benefit period, any real property tax or water or
38 sewer charge or other lienable charge due and payable with respect to an
39 eligible building shall remain unpaid for at least one year following
40 the date upon which such tax or charge became due and payable, all
41 abatements granted pursuant to this title with respect to such building
42 shall be revoked, unless within thirty days from the mailing of a notice
43 of revocation by the department of finance satisfactory proof is
44 presented to the department of finance that any and all delinquent taxes
45 and charges owing with respect to such building as of the date of such
46 notice have been paid in full or are currently being paid in timely
47 installments pursuant to a written agreement with the department of
48 finance or other appropriate agency. Any revocation pursuant to this
49 subdivision shall be effective with respect to real property taxes which
50 become due and payable following the date of such revocation.

51 5. The department of finance may deny, reduce, suspend, terminate or
52 revoke any abatement granted pursuant to this title whenever:

53 (a) the landlord or the tenant receiving abatement pursuant to this
54 title fails to comply with the requirements of this title or the rules
55 promulgated hereunder; or

1 (b) an application, certificate, report or other document submitted by
2 the applicant contains a false or misleading statement as to a material
3 fact or omits to state any material fact necessary in order to make the
4 statement therein not false or misleading, and may declare any applicant
5 who makes such false or misleading statement or omission to be ineligi-
6 ble for future abatement pursuant to this title for the same or other
7 property. In addition, the department of finance shall require the
8 applicant to pay, with penalty and interest, any abatement received
9 pursuant to this title as a result of such false or misleading statement
10 or omission of a material fact.

11 6. Notwithstanding any other provision of this title, the department
12 of finance shall deny, terminate or revoke any abatement applied for or
13 granted pursuant to this title upon a determination that the lease
14 between the landlord and the tenant does not constitute a bona fide
15 arm's length lease. In making such determination, the department of
16 finance may consider, among other factors, the relationship, if any,
17 between the landlord and the tenant and whether the business terms of
18 such lease are consistent with the business terms generally found in
19 leases for comparable space.

20 7. (a) If any person described in the statement required by paragraph
21 (b) of subdivision six of section four hundred ninety-nine-cccccc of
22 this title or paragraph (b) of this subdivision is finally adjudicated
23 by a court of competent jurisdiction to be guilty of any charge listed
24 in such statement, the department of finance shall revoke the abatement
25 granted pursuant to this title and shall require the payment, with
26 interest, of any abatement received pursuant to this title.

27 (b) The applicant shall, on the certificate of continuing eligibility,
28 state whether any charges alleging violation by the applicant or any
29 person owning a substantial interest in the eligible building, or any
30 officer, director or general partner of the applicant or person owning a
31 substantial interest in the eligible building, or any person for whom
32 the applicant or person owning a substantial interest in the eligible
33 building is an officer, director or general partner, of section two
34 hundred thirty-five of the real property law or any section of article
35 one hundred fifty of the penal law or any similar arson law of another
36 jurisdiction, are pending. For purposes of this paragraph, "substantial
37 interest" shall have the same meaning as set forth in paragraph (c) of
38 subdivision six of section four hundred ninety-nine-cccccc of this
39 title.

40 § 499-gggggg. Tax lien; interest and penalty. All taxes, with inter-
41 est, required to be paid retroactively pursuant to this title shall
42 constitute a tax lien as of the date it is determined such taxes and
43 interest are owed. All interest shall be calculated from the date the
44 taxes would have been due but for the abatement granted pursuant to this
45 title at the applicable rate or rates of interest imposed by such city
46 generally for non-payment of real property tax with respect to the
47 eligible building for the period in question. When a provision of this
48 title requires the payment of a penalty in addition to interest, the
49 amount of such penalty shall be equal to the amount of interest that
50 would have been payable pursuant to such provision had such interest
51 been calculated at the rate of three percent per annum.

52 § 499-hhhhhh. Confidentiality. 1. Except in accordance with a proper
53 judicial order or as otherwise provided by law, it shall be unlawful for
54 the commissioner of finance, any officer or employee of the department
55 of finance, the president or a commissioner or employee of the tax
56 commission, any person engaged or retained by such department or such

1 commission on an independent contract basis, or any person who, pursuant
2 to this title, is permitted to inspect any information submitted by an
3 applicant to the department of finance pursuant to this title or to whom
4 a copy, an abstract or a portion of any such information is furnished,
5 to divulge or make known in any manner any such information to any
6 person not authorized pursuant to this title to inspect such informa-
7 tion. The officers charged with custody of such information shall not be
8 required to produce any of it or evidence of anything contained in it in
9 any action or proceeding in any court except on behalf of the commis-
10 sioner of finance in an action or proceeding under the provisions of
11 this title, or on behalf of any party to any action or proceeding under
12 the provisions of this title when such information or facts shown there-
13 by are directly involved in such action or proceeding, in either of
14 which events the court may require the production of, and may admit in
15 evidence so much of such information or of the facts shown thereby, as
16 are pertinent to the action or proceeding and no more. Nothing herein
17 shall be construed to prohibit the inspection by the legal represen-
18 tatives of the department of finance or the tax commission of such
19 information submitted by any applicant who shall bring an action to
20 correct an assessment. Nothing herein shall be construed to prohibit
21 the delivery to an applicant or the applicant's duly authorized repre-
22 sentative of a certified copy of any information submitted by an appli-
23 cant to the department of finance pursuant to this title; or to any
24 agency or any department of any city having a population of one million
25 or more provided the same is requested for official business; nor to
26 prohibit the inspection for official business of such information by the
27 corporation counsel or other legal representatives of a city having a
28 population of one million or more or by the district attorney of any
29 county within such city; nor to prohibit the publication of statistics
30 so classified as to prevent the identification of such information or
31 particular items thereof. Information submitted by an applicant to the
32 department of finance pursuant to this title shall not be subject to
33 disclosure pursuant to article six of the public officers law.

34 2. Any violation of the provisions of subdivision one of this section
35 shall be punishable by a fine not exceeding one thousand dollars or by
36 imprisonment not exceeding one year, or both, at the discretion of the
37 court, and if the offender be an officer or employee of the department
38 of finance or of the tax commission, the offender shall be dismissed
39 from office.

40 § 3. This act shall take effect immediately.