

STATE OF NEW YORK

7123

2025-2026 Regular Sessions

IN SENATE

April 1, 2025

Introduced by Sen. SANDERS -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

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-~~

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

LBD11475-01-5

~~ele]~~ the amount of such taxes shall be no more than zero per centum of the annual shelter rent or carrying charges of the project. Upon the consent of the local legislative body of a municipality, other than a city with a population of one million or more, in which the project is located, the amount of such taxes may be further reduced to zero per centum or less of the annual shelter rent or carrying charges of the project. Any such granted consent to reduce the amount of such taxes shall expire every ten years. If such authorization is not renewed, the rate of taxation shall revert to the level established before the consent was granted.

Shelter rent shall mean the total rents received from the occupants of a project less the cost of providing to the occupants electricity, gas, heat and other utilities. Total rents shall include rent supplements and subsidies received from the federal government, the state or a municipality on behalf of such occupants^[7] but shall not include interest reduction payments pursuant to subdivision (a) of section two hundred one of the Federal Housing and Urban Development Act of nineteen hundred sixty-eight. The tax exemption shall operate and continue so long as the mortgage loans of the company, including any additional mortgage loan the proceeds of which are used primarily for the residential portion of the project, which additional loan is approved by the commissioner or the supervising agency, are outstanding.

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

(c) Notwithstanding the provisions of paragraphs (a) and (b) of this subdivision, the real property of a state urban development corporation project acquired, owned, constructed, managed or operated by a company incorporated pursuant to the not-for-profit corporation law and this article shall be entitled to all the benefits provided by section four hundred twenty-two of the real property tax law. The real property of a state urban development corporation project, other than a state urban development corporation project acquired, owned, constructed, managed or operated by a company incorporated pursuant to the not-for-profit corporation law and this article, shall be exempt from all local and municipal taxes, other than assessments for local improvements, to the extent of the value of the property included in such project as represents an increase over the assessed valuation of the real property, both land and improvements, acquired for the project on the date of its acquisition by the limited-profit housing company, provided that the amount of such taxes to be paid shall not be less than ten per centum of the annual shelter rent or carrying charges of such project, as defined in paragraph (a) hereof, except that in a city with a population of one million or more, the amount of such taxes shall be no more than zero per centum of the annual shelter rent or carrying charges of the project. Upon the consent of the local legislative body of the municipality, other than a city with a population of one million or more, in which the project is located, the amount of such taxes may be further reduced to zero per centum or less of the annual shelter rent or carrying charges of the project. Any such granted consent to reduce the amount of such taxes shall expire every ten years. If such authorization is not renewed, the rate of taxation shall revert to the level established before the consent was granted. The tax exemption shall operate and continue so long as the mortgage loans of such limited profit housing company, including any additional mortgage loan the proceeds of which are used primarily for the residential portion of the project, which additional loan is approved by the commissioner or the supervising agency, are

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

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

13 (d) Notwithstanding the provisions of paragraphs (a) and (b) of this
14 subdivision, when a project is financed with a mortgage loan pursuant to
15 this article or article three of this chapter and (i) there is a partic-
16 ipation, new loan or investment pursuant to section twenty-three-b of
17 this article or (ii) such mortgage loan is assigned, modified or satis-
18 fied pursuant to section twenty-three-a or forty-four-b or subdivision
19 twenty-two-a of section six hundred fifty-four of this chapter, the real
20 property of the project shall be exempt from all local and municipal
21 taxes, other than assessments for local improvements, to the extent of
22 the value of the real property included in such project which represents
23 an increase over the assessed valuation of the real property, both land
24 and improvements, acquired for the project on the date of its original
25 acquisition for the project by the original mortgagor under a mortgage
26 loan pursuant to this article or article three of this chapter, provided
27 that the amount of taxes to be paid on the project shall not be less
28 than ten per centum of the annual shelter rent or carrying charges of
29 such project, as defined in paragraph (a) of this subdivision, except
30 that in a city with a population of one million or more, the amount of
31 such taxes shall be no more than zero per centum of the annual shelter
32 rent or carrying charges of the project. Upon the consent of the local
33 legislative body of the municipality, other than a city with a popu-
34 lation of one million or more, in which the project is located, the
35 amount of such taxes may be further reduced to zero per centum or less
36 of the annual shelter rent or carrying charges of the project. Any such
37 granted consent to reduce the amount of such taxes shall expire every
38 ten years. If such authorization is not renewed, the rate of taxation
39 shall revert to the level established before the consent was granted.

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

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

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

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

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

39 § 5. This act shall take effect immediately.