§ 421-b. Exemption of certain private dwellings, multiple dwellings and improvements from local taxation; certain cases. 1. (a) Within a city having a population of one million or more, private dwellings (land and improvements) to be occupied as a residence for the first time, whether newly constructed or resulting from the conversion of any building or structure to a private dwelling, and existing private dwellings previously occupied, reconstructed or improved to the extent of at least forty percent of their assessed valuation without the improvement, shall be exempt from all local and municipal taxes, other than assessments for local improvements, during the tax year or years next following the taxable status date or dates after commencement and before completion of construction, reconstruction or conversion thereof, but for no more than two years after commencement of such construction, reconstruction or conversion, and shall be exempt from such local and municipal taxes after the earlier of completion of such construction, reconstruction or conversion or the end of such two year period, as follows: two years of exemption from all such taxes; followed by one year of exemption from seventy-five percent of such taxes; followed by one year of exemption from sixty-two and one-half percent of such taxes; followed by one year of exemption from fifty percent of such taxes; followed by one year of exemption from thirty-seven and one-half percent of such taxes; followed by one year of exemption from twenty-five percent of such taxes; and followed by one year of exemption from twelve and one-half percent of such taxes. Notwithstanding the foregoing provisions of this paragraph: (i) exemption from local and municipal taxes under this section shall not be available to property exempt from such taxes under any other law; (ii) the tax lot (land and improvements) upon which the private dwelling is constructed, reconstructed or converted shall at all times be subject to local and municipal taxes in an amount not less than the amount of local and municipal taxes that would be payable thereon based upon the lesser of the assessed valuation, during the tax year immediately preceding the tax year in which such construction, reconstruction or conversion commenced or in the case of new construction, the assessed valuation of the land appearing on the assessment roll in the first year after completion of construction; and (iii) in the event that a private dwelling, whether owner occupied or not, is fully demolished and removed on or after

September first, two thousand four, the tax lot (land and improvements) upon which such private dwelling was located shall not be eligible for exemption from local and municipal taxes under this section for a period of three years commencing upon the date of issuance of the demolition and removal permit for such private dwelling.

(b) Within a city having a population of one million or more, multiple dwellings (land and improvements) containing not more than four dwelling units to be occupied as a residence for the first time, whether newly constructed or resulting from the conversion of any building or structure to a multiple dwelling, and existing multiple dwellings containing not more than four dwelling units previously occupied, reconstructed or improved to the extent of at least forty percent of their assessed valuation without the improvement, shall be exempt from all local and municipal taxes, other than assessments for local improvements, during the tax year or years next following the taxable status date or dates after commencement and before completion of construction, reconstruction or conversion thereof, but for no more than two years after commencement of such construction, reconstruction or conversion, and shall be exempt from such local and municipal taxes after the earlier of completion of such construction, reconstruction or conversion or the end of such two year period, as follows: two years of exemption from all such taxes; followed by one year of exemption from seventy-five percent of such taxes; followed by one year of exemption from sixty-two and one-half percent of such taxes; followed by one year of exemption from fifty percent of such taxes; followed by one year of exemption from thirty-seven and one-half percent of such taxes; and followed by one year of exemption from twenty-five percent of such taxes; and followed by one year of exemption from twelve and one-half percent of such taxes. Notwithstanding the foregoing provisions of this paragraph: (i) exemption from local and municipal taxes under this section shall not be available to property exempt from such taxes under any other law; (ii) the tax lot (land and improvements) upon which the multiple dwelling is constructed, reconstructed or converted shall at all times be subject to local and municipal taxes in an amount not less than the amount of local and municipal taxes that would be payable thereon based upon the lesser of the assessed valuation, during the tax year immediately preceding the tax year in which such construction,

reconstruction or conversion commenced or in the case of new construction, the assessed valuation of the land appearing on the assessment roll in the first year after completion of construction; (iii) multiple dwellings (land and improvements) shall not be eligible for exemption from local and municipal taxes under this section unless such multiple dwellings are developed in a governmentally assisted project, as defined in rules promulgated by the local housing agency; and (iv) such multiple dwellings are constructed, reconstructed or converted on real property that has been (A) acquired by the federal government as the result of the foreclosure of a mortgage loan insured by the federal government and (B) conveyed by the federal government to an owner approved by the local housing agency for the purpose of rehabilitation in accordance with an agreement between the owner of the real property and the federal government.

2. (a) For purposes of this section: "private dwelling" shall mean an owner occupied building or structure, with the land on which the same is constructed, intended for residential use and occupancy by one or more families living independently of each other with separate cooking facilities, which is not a multiple dwelling within the meaning of the multiple dwelling law, and the construction, reconstruction or conversion of which (i) is commenced after July first, nineteen hundred seventy-eight and before July first, nineteen hundred eighty-two and is completed no later than April first, nineteen hundred eighty-four; (ii) is commenced on or after July first, nineteen hundred eighty-two and before July first, nineteen hundred eighty-six and is completed no later than July first, nineteen hundred eighty-eight; (iii) is commenced on or after July first, nineteen hundred eighty-six and before July first, nineteen hundred ninety and is completed no later than July first, nineteen hundred ninety-two; (iv) is commenced on or after July first, nineteen hundred ninety and before July first, nineteen hundred ninety-four and is completed no later than July first, nineteen hundred ninety-six; (v) is commenced on or after July first, nineteen hundred ninety-four and before July first, nineteen hundred ninety-eight and is completed no later than July first, two thousand; (vi) is commenced on or after July first, nineteen hundred ninety-eight and before July first, two thousand two and is completed no later than July first, two

thousand four; or (vii) is commenced on or after July first, two thousand two and before July first, two thousand six and is completed no later than July first, two thousand eleven.

(b) For purposes of this section: "multiple dwelling" shall mean an owner occupied building or structure, with the land on which the same is constructed, which is a multiple dwelling within the meaning of section four of the multiple dwelling law, and the construction, reconstruction or conversion of which is commenced on or after July first, two thousand two and before July first, two thousand six and is completed no later than July first, two thousand eight.

(c) Construction or reconstruction of, or conversion to, a private dwelling or multiple dwelling shall be deemed to have commenced when the agency or department of the city having jurisdiction has issued a permit for construction work and such work has begun in good faith in accordance with such permit; construction, reconstruction or conversion shall be deemed to have been completed when the agency or department of the city having jurisdiction has issued a temporary or permanent certificate of occupancy under which occupancy of the private dwelling or multiple dwelling for residential use may lawfully begin or the reconstruction has been finally accepted and approved.

(d) For the purposes of this section: "local housing agency" shall have the same meaning as the term "agency" under section five hundred two of the general municipal law, except that the term shall mean the department of housing preservation and development if there is such a department in such city.

(e) Upon issuance of a violation by an agency, department or bureau of the city of New York for an illegal occupancy, the finance department shall revoke the tax exemption thereunder. The owner shall pay the city, with interest, the amount of taxes from which such owner had been exempted. Such amount, if unpaid, shall become a lien against the property.

3. (a) Applications for exemption under this section shall be filed with the assessors between February first and March fifteenth of the calendar year and, based on the certification of the local housing agency pursuant to this section, the assessors shall certify to the collecting officer the amount of exemption from local and municipal

taxes. No such application shall be accepted by the assessors unless accompanied by a certificate of the local housing agency certifying eligibility for exemption pursuant to this section.

(b) The local housing agency may promulgate rules and regulations to carry out the provisions of this section and may require payment of a reasonable filing fee, and in the case of an application involving a dwelling which has been reconstructed or improved a fee not to exceed ten dollars for the certification of such local housing agency under this subdivision.

(c) At any time after two years of exemption from taxation pursuant to this section, the local housing agency may certify to the assessors and the collecting officer that a private dwelling or multiple dwelling is not being used for residential purposes and upon the filing of such certification with the assessors and the collecting officer, exemption from taxation under this section shall terminate.