§ 421-c. Exemption of certain new multiple dwellings from local taxation. 1. The provisions of this section shall apply to each town, village or city with a population of less than one million which has declared an emergency in accordance with the provisions of the emergency tenant protection act of nineteen seventy-four and which adopts a resolution making the provisions of this section applicable to such town, village or city. The owner of housing accommodations in a newly constructed building, which would be subject to the provisions of such act except for the fact that the building was completed on or after January first, nineteen hundred seventy-four, may file a declaration, in a form suitable for recording, with the rent guidelines board subjecting such housing accommodations to the provisions of said act.

2. Such new residential buildings shall be exempt from all taxes imposed by a municipal corporation including those imposed by a school district, other than assessments for local improvements, during construction and so long as used for residence purposes for a period not to exceed ten years in the aggregate after the taxable status date immediately following the completion thereof, consisting of two years of full exemption followed by two years of exemption from eighty percent of such taxation, followed by two years of exemption from sixty percent of such taxation, followed by two years of exemption from forty percent of such taxation, followed by two years of exemption from twenty percent of such taxation; provided that taxes shall be paid during any such period at least in the amount of the taxes paid on such land and any improvements thereon during the tax year preceding the commencement of such construction and that exemption from taxes shall not be availed of concurrently under any other law. To be eligible for exemption under this section such construction shall take place on vacant, predominantly vacant or under-utilized land, or on land improved with a non-conforming use. The initial legal regulated rents to be charged upon initial occupancy after construction aided by exemption under this section shall be at least fifteen percent less than the rents prevailing for comparable newly constructed residential units in the same area or any comparable area; and notwithstanding the provisions of the emergency tenant protection act of nineteen seventy-four, the rents shall be fully subject to regulation under such act for a period of ten years or for

the period such act is in effect in the municipality in which the building is situate, whichever is shorter, at the expiration of which such rent shall be deregulated, unless immediately prior to such expiration such rents would have been regulated by the provisions of any law other than pursuant to this section, in which event such rents shall continue subject to such regulation to the same extent and in the same manner as if this section had never applied thereto. Any additional taxes levied against the building as a result of the phase-out of the exemption provided by this section may be charged by the owner to the tenants on an equitable basis without seeking the approval of the local rent guidelines board. For the purposes of this section, construction shall be deemed commenced when excavation has begun in good faith on the basis of approved construction plans.

3. Application forms for exemption under this section shall be filed with the assessor between February first and March fifteenth, and, based on the certification of the local rent guidelines board, the assessors shall certify to the collecting officer the amount of taxes to be abated. No such application shall be accepted by the assessors unless accompanied by a certificate of the local rent guidelines board certifying the applicant's eligibility pursuant to subdivision one of this section. Requests to these local rent guidelines boards for certification shall be accompanied by a ten-year projection of the rents based on current levels of operating costs and showing to the satisfaction of such board a relative stability of rents over such period reflecting to the extent that this is practicable, and averaging of the tax benefits of this section in the interests of the tenants. The state division of housing and community renewal may promulgate rules and regulations to carry out the provisions of this section, not inconsistent with the provisions hereof.