§ 423. Phase out of exemption for redevelopment company projects upon the cessation of the tax exemption granted pursuant to contract. (1) After the expiration of any tax exemption granted a redevelopment project pursuant to section one hundred twenty-five of the private housing finance law, which exemption is not extended pursuant to such law, that part of the value of the property which was exempt from certain taxation for local purposes by reason of such grant, shall thereafter be exempt from taxation for local purposes, other than assessments for local improvement, commencing upon the expiration of the tax exemption granted pursuant to such section as follows: during the first year after such expiration, the taxes which shall be payable shall be the taxes which were payable during the last year of the grant of exemption plus one tenth of the difference between the taxes which were payable during such prior year and the taxes which would otherwise be payable during such first year absent this section; during the second year after such expiration, the taxes which shall be payable shall be the taxes which were payable during the first year after such expiration plus one-ninth of the difference between the taxes which were payable during such first year and the taxes which would otherwise be payable during such second year absent this section; during the third year after such expiration, the taxes which shall be payable shall be the taxes which were payable during the second year after such expiration plus one-eighth of the difference between the taxes which were payable during such second year and the taxes which would otherwise be payable during such third year absent this section; during the fourth year after such expiration, the taxes which shall be payable shall be the taxes which were payable during the third year after such expiration plus one-seventh of the difference between the taxes which were payable during such third year and the taxes which would otherwise be payable during such fourth year absent this section; during the fifth year after such expiration, the taxes which shall be payable shall be the taxes which were payable during the fourth year after such expiration plus one-sixth of the difference between the taxes which were payable during such fourth year and the taxes which would otherwise be payable during such fifth year absent this section; during the sixth year after such expiration, the taxes which shall be payable shall be the taxes which were payable during the fifth year after such expiration plus one-fifth

of the difference between the taxes which were payable during such fifth year and the taxes which would otherwise be payable during such sixth year absent this section; during the seventh year after such expiration, the taxes which shall be payable shall be the taxes which were payable during the sixth year after such expiration plus one-fourth of the difference between the taxes which were payable during such sixth year and the taxes which would otherwise be payable during such seventh year absent this section; during the eighth year after such expiration, the taxes which shall be payable shall be the taxes which were payable during the seventh year after such expiration plus one-third of the difference between the taxes which were payable during such seventh year and the taxes which would otherwise be payable during such eighth year absent this section; during the ninth year after such expiration, the taxes which shall be payable shall be the taxes which were payable during the eighth year after such expiration plus one-half of the difference between the taxes which were payable during such eighth year and the taxes which would otherwise be payable during such ninth year absent this section; during the tenth year after such expiration, the taxes which shall be payable shall be the taxes otherwise payable. (2) Any provision of law to the contrary notwithstanding, any local laws or ordinances in respect of the regulation and control of residential rents and evictions adopted pursuant to the local emergency housing rent control act shall be applicable to all dwelling accommodations in a property described in subdivision one throughout such additional exemption period whether or not such dwelling accommodations become vacant during such period, in the same manner that such local laws or ordinances would be applicable to dwelling accommodations which (i) were completed after February one, nineteen hundred forty-seven and for which a certificate of occupancy was obtained prior to March ten, nineteen hundred sixty-nine, and (ii) did not become vacant after the thirtieth day of June, nineteen hundred seventy-one, provided that the last rental set forth under a rental agreement in force relating to a dwelling accommodation in such project immediately prior to the expiration of the tax exemption granted pursuant to the private housing finance law, shall continue, and the owner of the property in which such accommodations are situate may increase such rentals.

(a) in each year by an amount not more than the increases in taxes,

payable on such project by such owner over those paid in the year prior to the expiration of the tax exemption granted pursuant to the private housing finance law, allocated to such dwelling accommodation on a per room basis based on the room count set forth in the contract with a municipality originally granting the tax exemption under the private housing finance law, and

(b) by an amount not more than the difference between the average rental per room per month last authorized by the local legislative body pursuant to the private housing finance law, and the average rental per room per month actually collected during the last year such project was exempt under such law, multiplied by the room count for such dwelling accommodation as set forth in such contract with the municipality, as well as percentage increases thereon which percentages are the same as authorized under such local laws and ordinances and generally applicable to subsequent rental agreements in dwelling accommodations in other multiple dwellings as well as any other increases authorized by law.

(3) Notwithstanding any provision of this section to the contrary, with respect to the real property of a mutual redevelopment project located in a city having a population of one million or more, the tax exemption provided in subdivision one of this section shall not apply in any year where the total period of tax exemption granted pursuant to section one hundred twenty-five of the private housing finance law and subdivision one of this section would exceed sixty years.