

 KeyCite Yellow Flag - Negative Treatment  
Proposed Legislation

McKinney's Consolidated Laws of New York Annotated

Real Property Tax Law (Refs & Annos)

Chapter 50-a. Of the Consolidated Laws

Article 4. Exemptions

Title 2. Private Property

### McKinney's RPTL § 420-c

§ 420-c. Exemption from local real property taxation of certain low income housing accommodations in a city having a population of one million or more

Effective: June 22, 2010

[Currentness](#)

1. In a city having a population of one million or more, real property owned by a corporation, partnership or limited liability company formed for the purpose of providing housing accommodations for persons and families of low income as defined in [section two of the private housing finance law](#) and used for such purpose, shall be exempt from local real property taxation, provided that such corporation, partnership or limited liability company: (a) is organized as a non-profit housing development fund company pursuant to article eleven of the private housing finance law, or is a non-profit housing corporation as defined in article eleven of the private housing finance law which is not incorporated as a housing development fund company as defined in article eleven of the private housing finance law, or is a wholly-owned subsidiary of such a company or is a partnership or limited liability company the controlling interest of which is held by such a company or corporation or by a wholly owned subsidiary of such a company or by a corporation sponsored or formed by such a company or corporation; and (b) has received a loan from a municipality, the state or the housing trust fund corporation established pursuant to [section forty-five-a of the private housing finance law](#) or any successor corporation; and (c) enters into a regulatory agreement with the municipality, the state or the housing trust fund corporation established pursuant to [section forty-five-a of the private housing finance law](#) or any successor corporation guaranteeing the provision of housing accommodations for persons and families of low income; and (d) is a participant in the federal low income housing tax credit program established pursuant to [section forty-two of the internal revenue code of nineteen hundred eighty-six](#), as amended. Any exemption pursuant to this section shall expire upon the expiration or termination of the regulatory agreement.

2. An exemption may be granted pursuant to this section only upon application by the owner on a form prescribed by the commissioner or any comparable form, which application shall be accepted by the assessor of such city as provided in this subdivision and in the rules and regulations promulgated pursuant to this section by the department of housing preservation and development in such city. No such application shall be accepted by the assessor unless accompanied by a certificate of the department of housing preservation and development in such city certifying the applicant's eligibility pursuant to this section. Notwithstanding [section three hundred two](#) of this chapter, an exemption granted pursuant to this section shall commence as of the effective date of the regulatory agreement with the municipality, the state or the housing trust fund corporation established pursuant to [section forty-five-a of the private housing finance law](#) or any successor corporation regardless of when the application for such exemption is approved. The department of housing preservation and development may promulgate rules and regulations to carry out the provisions of this section, and may require a reasonable filing fee in an amount provided by such rules and regulations.

3. An exemption from local real property taxation pursuant to this section shall be governed solely by subdivisions one and two of this section if the application for such exemption is approved before the effective date of this subdivision and shall be governed solely by subdivision four of this section if the application for such exemption is approved on or after the effective date of this subdivision. Any tax exemption pursuant to subdivisions one and two of this section that is in effect on the effective date of this subdivision shall continue in accordance with the provisions of subdivisions one and two of this section; provided, however, that any amendment to a regulatory agreement on or after the effective date of this subdivision shall require a new application for tax exemption pursuant to subdivision four of this section. Eligible real property that receives exemption from local real property taxation pursuant to this section at any time shall not simultaneously receive exemption from or abatement of local real property taxation pursuant to any other law.

4. (a) For the purposes of this subdivision, the following terms shall have the following meanings:

(1) The term “persons and families of low income” shall have the meaning set forth in [section two of the private housing finance law](#).

(2) The term “tax credit program” shall mean the federal low-income housing tax credit program established pursuant to [section forty-two of the internal revenue code of nineteen hundred eighty-six](#), as amended, or any successor statute.

(3) The term “eligible real property” shall mean real property that (i) provides housing accommodations for persons and families of low income, and (ii) participates in or has participated in the tax credit program.

(4) The term “charitable organization” shall mean (i) an entity formed for purposes that include providing housing accommodations for persons and families of low income and that has received written recognition of exemption pursuant to [section 501\(c\)\(3\) or section 501\(c\)\(4\) of the internal revenue code of nineteen hundred eighty-six](#),<sup>1</sup> as amended, or any successor statute, from the United States Internal Revenue Service, or any successor agency, or (ii) a corporation, partnership or limited liability company wholly owned and wholly controlled by an entity formed for purposes that include providing housing accommodations for persons and families of low income and that has received written recognition of exemption pursuant to [section 501\(c\)\(3\) or section 501\(c\)\(4\) of the internal revenue code of nineteen hundred eighty-six](#), as amended, or any successor statute, from the United States Internal Revenue Service, or any successor agency.

(5) The term “eligible entity” shall mean a corporation, partnership or limited liability company at least fifty percent of the controlling interest of which is held by a charitable organization.

(6) The term “eligible owner” shall mean one or more eligible entities that holds (i) legal and beneficial title to eligible real property, or (ii) a legal and beneficial leasehold interest with a term of not less than thirty years in eligible real property.

(7) The term “regulatory agreement” shall mean a regulatory agreement with or approved by the municipality that requires the provision of housing accommodations for persons and families of low income, requires that units currently or formerly assisted

under the tax credit program be rented in accordance with the income requirements of the tax credit program, is recorded against the eligible real property, and binds all parties in interest to the eligible real property and their respective successors and assigns. A regulatory agreement may include such other terms and conditions as the municipality shall determine, including, but not limited to, provisions requiring payments in lieu of taxes.

(b) Notwithstanding any other provision in this subdivision to the contrary, in a city having a population of one million or more, eligible real property of an eligible owner that is subject to a regulatory agreement shall be exempt from local real property taxation except as may be otherwise provided in such regulatory agreement.

(c) Notwithstanding any provision of any other general or special state or local law or charter, (1) with respect to eligible real property that is eligible for exemption from local real property taxation pursuant to this subdivision on the effective date of this subdivision and that is receiving exemption from or abatement of local real property taxation pursuant to any other law on the effective date of this subdivision, an eligible owner may prospectively terminate such other exemption or abatement upon entering into a new regulatory agreement and the eligible real property shall thereafter be prospectively entitled to exemption from local real property taxation pursuant to this subdivision, and (2) with respect to eligible real property that is eligible for exemption from local real property taxation pursuant to this subdivision on the effective date of this subdivision and that is not receiving any exemption from or abatement of local real property taxation pursuant to subdivisions one and two of this section or any other law on the effective date of this subdivision, if an eligible owner enters into a new regulatory agreement, the eligible real property shall thereafter be prospectively entitled to exemption from local real property taxation pursuant to this subdivision, and (3) with respect to eligible real property that is eligible for an exemption from local real property taxation pursuant to this subdivision on the effective date of this subdivision and that is receiving exemption from local real property taxation pursuant to subdivisions one and two of this section on the effective date of this subdivision, an eligible owner may prospectively terminate such exemption upon entering into a new regulatory agreement and the eligible real property shall thereafter be prospectively entitled to exemption from local real property taxation pursuant to this subdivision.

(d)(1) An exemption may be granted pursuant to this subdivision only upon application by the eligible owner on a form prescribed by the commissioner or any comparable form, which application shall be accepted by the assessor of such city as provided in this subdivision and in such rules as may be promulgated pursuant to this subdivision by the department of housing preservation and development in such city. No such application shall be accepted by the assessor unless accompanied by a certificate of the department of housing preservation and development in such city certifying the applicant's eligibility pursuant to this subdivision.

(2) Notwithstanding [section three hundred two](#) of this chapter, an exemption granted pursuant to this subdivision shall commence as of the effective date of the regulatory agreement, regardless of when the application for such exemption is approved, and shall terminate upon the expiration or termination of such regulatory agreement. Notwithstanding any provision of this subdivision to the contrary, if there is a default pursuant to the regulatory agreement, and such default remains uncured beyond any period for such cure specified in the regulatory agreement, the municipality may terminate such exemption or suspend such exemption until such default is cured.

(3) The department of housing preservation and development in such city may promulgate rules to carry out the provisions of this subdivision, and may require a reasonable filing fee in an amount provided by such rules.

**Credits**

(Added L.1993, c. 513, § 1. Amended L.1994, c. 677, § 1; L.1996, c. 99, § 1; L.1999, c. 104, § 1, eff. June 22, 1999; L.2004, c. 522, § 1, eff. Sept. 28, 2004; L.2004, c. 526, § 1, eff. Sept. 28, 2004; L.2010, c. 56, pt. W, § 1, subd. (b), eff. June 22, 2010.)

**Footnotes**

<sup>1</sup> 26 USCA § 501(c)(3) or (4).

McKinney's R. P. T. L. § 420-c, NY RP TAX § 420-c

Current through L.2023, chapters 1 to 49, 51, 52, 58, 60 to 133. Some statute sections may be more current, see credits for details.