Legislation Details (With Text)

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Title: A Local Law to amend the administrative code of the city of New York, in relation to extending for four years the time to apply for certain benefits under the industrial and commercial incentive program and in relation to the boundaries of the new construction exemption area.

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Attachments: 1. Committee Report, 2. Hearing Transcript, 3. Local Law, 4. Hearing Transcript - Stated Meeting 6/27, 5. Fiscal Impact Statement

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6/25/2003	*	City Council	Referred to Comm by Council	
6/27/2003	*	Committee on Finance	Hearing Held by Committee	
6/27/2003	*	Committee on Finance	Approved by Committee	Pass
6/27/2003	*	City Council	Approved by Council	Pass
7/14/2003	*	Mayor	Hearing Held by Mayor	
7/14/2003	*	Mayor	Signed Into Law by Mayor	
7/16/2003	*	City Council	Recved from Mayor by Council	

Int. No. 520

By Council Members Weprin, Comrie, Davis, Felder, Seabrook and Stewart (by request of the Mayor)

A Local Law to amend the administrative code of the city of New York, in relation to extending for four years the time to apply for certain benefits under the industrial and commercial incentive program and in relation to the boundaries of the new construction exemption area.

Be it enacted by the Council as follows:

Section 1. Subdivision e.1 of section 11-257 of the administrative code of the city of New York, as added by local law number 58 for the year 1995, is amended to read as follows:

e.1. A recipient who, following the effective date of a certificate of eligibility, constructs a new

building or structure that meets the requirements set forth in subdivision i of section 11-259 of this part in the new construction exemption area specified in paragraph (1) [or paragraph], (2) or (3) of subdivision e of section 11-258 of this part shall be eligible for an exemption from real property taxes as follows: for the first four tax years, the recipient shall be exempt from taxation on one hundred per centum of the exemption base. For the following four tax years, the recipient shall be exempt from taxation on a percentage of the exemption base beginning at eighty per centum thereof in the fifth tax year and decreasing by twenty per centum of said exemption base each year.

The following table shall illustrate the computation of the exemption for the construction of a new building or structure that meets the requirements set forth in subdivision i of section 11-259 of this part in the new construction exemption area specified in paragraph (1) [or paragraph], (2) or (3) of subdivision e of section 11-258 of this part:

Tax year following effective date of certificate of eligibility:	Amount of exemption:
1 through 4	Tax on 100% of exemption base
5	Tax on 80% of exemption base
6	Tax on 60% of exemption base
7	Tax on 40% of exemption base
8	Tax on 20% of exemption base

§2. Paragraph 4 of subdivision d of section 11-258 of the administrative code of the city of New York, as amended by local law number 44 for the year 1999, is amended to read as follows:

(4) Notwithstanding the provisions of paragraphs (1), (2) and (3) of this subdivision, the

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following areas in the borough of Manhattan shall be renovation exemption areas: (a) as of July 1, 1992 and until June 30, [2003] 2007: the area in the borough of Manhattan lying south of the center line of 23rd Street; (b) as of July 1, 1992 and until January 31, 1995: the area in the borough of Manhattan lying south of the center line of 96th Street and north of the center line of 23rd Street; and (c) as of July 1, 1995 and until June 30, [2003] 2007: the area in the borough of Manhattan lying south of the center line of 59th Street and north of the center line of 23rd Street.

§3. Subdivision e of section 11-258 of the administrative code of the city of New York, as amended by local law number 44 for the year 1999, is amended to read as follows:

e. Notwithstanding the provisions of subdivision d of this section, the areas in the borough of Manhattan specified in paragraphs (1) [and], (2) and (3) of this subdivision, except the "Project Area" described in a lease held by the Battery Park City Authority as tenant and originally dated as of November 24, 1969 and thereafter from time to time amended, shall be new construction exemption areas: (1) as of July 1, 1995 and until December 31, 1996: the area in the borough of Manhattan lying south of the center line of 96th Street, excluding the area specified in paragraph (2) of this subdivision; and (2) as of July 1, 1995 and until June 30, 2003: the area in the borough of Manhattan bounded by Murray Street on the north starting at the intersection of West Street and Murray Street; running easterly along the center line of Murray Street; connecting through city hall park with the center line of Frankfort Street and running easterly along the center line of Frankfort and Dover Streets to the intersection of Dover Street and South Street; running southerly along the center line of South Street to Peter Minuit Plaza; connecting through Peter Minuit Plaza to the center line of State Street and running northwesterly along the center line of State Street to the intersection of State Street and Battery Place; running westerly along the center line of Battery Place to the intersection of Battery Place and West Street; and running northerly along the center line of West Street to the intersection of West Street and Murray Street; and (3) as of July 1, 2003 and until June 30, 2007: the area in the borough of Manhattan bounded by Murray Street

on the north starting at the intersection of West Street and Murray Street; running easterly along the center line of Murray Street; connecting through City Hall Park with the center line of Frankfort Street and running easterly along the center line of Frankfort and Dover Streets to the intersection of Dover Street and South Street; running southerly along the center line of South Street to Peter Minuit Plaza; connecting through Peter Minuit Plaza to the center line of State Street and running northwesterly along the center line of State Street to the intersection of State Street and Battery Place; running westerly along the center line of Battery Place to the intersection of Battery Place and West Street; and running northerly along the center line of West Street to the intersection of West Street and Murray Street, except the area in the borough of Manhattan bounded by Church Street on the east starting at the intersection of Liberty Street and Church Street; running northerly along the center line of Church Street to the intersection of Church Street and Vesey Street; running westerly along the center line of Vesey Street to the intersection of Vesey Street and West Broadway; running northerly along the center line of West Broadway to the intersection of West Broadway and Barclay Street; running westerly along the center line of Barclay Street to the intersection of Barclay Street and Washington Street; running southerly along the center line of Washington Street to the intersection of Washington Street and Vesey Street; running westerly along the center line of Vesey Street to the intersection of Vesey Street and West Street; running southerly along the center line of West Street to the intersection of West Street and Liberty Street; and running easterly along the center line of Liberty Street to the intersection of Liberty Street and Church Street.

§4. Paragraph 1 of subdivision i of section 11-259 of the administrative code of the city of New York is amended by adding a new subparagraph (c) to read as follows:

(c) No benefits pursuant to this part shall be granted for construction of a new building or structure in the new construction exemption area specified in paragraph (3) of subdivision e of section 11-258 of this part unless: (i) construction of the foundation of such building or structure has been completed within twenty-four months of the effective date of the recipient's certificate of eligibility; and (ii) construction of such

building or structure has been completed within forty-two months of the effective date of the recipient's certificate of eligibility.

§5. Subdivisions a and d of section 11-260 of the administrative code of the city of New York, as amended by local law number 44 for the year 1999, are amended to read as follows:

a. Application for a certificate of eligibility pursuant to this part may be made immediately and continuing until June thirtieth, two thousand [three] seven; provided, however, that application for a certificate of eligibility for renovation construction work for property located in the renovation exemption area specified in subparagraph (b) of paragraph (4) of subdivision d of section 11-258 of this part may not be made after January 31, 1995; provided, further, however, that application for a certificate of eligibility for construction of a new building or structure that meets the requirements set forth in subdivision i of section 11-259 of this part in the new construction exemption area specified in paragraph (1) of subdivision e of section 11-258 of this part may not be made after December 31, 1996; provided, further, however, that application for a certificate of eligibility for construction of a new building or structure that meets the requirements set forth in subdivision i of section 11-259 of this part in the new construction exemption area specified in paragraph (2) of subdivision e of section 11-258 of this part may not be made after June 30, 2003; and provided, further, however, that no benefits pursuant to this part shall be granted for construction work performed pursuant to a building permit issued after July 31, [2003] 2007. Such application shall state whether it is for industrial, commercial or renovation construction work, and shall be filed with the department of finance. In addition to any other information required by such department, the application shall include cost estimates or bids for the proposed construction and an affidavit of a professional engineer or architect of the applicant's choice, certifying that detailed plans for the construction work have been submitted to the department of buildings. Such application shall also state that the applicant agrees to comply with and be subject to the rules issued from time to time by the department of finance to secure compliance with all applicable city, state and federal laws or which

implement mayoral directives and executive orders designed to ensure equal employment opportunity. Such application shall also certify that all taxes currently due and owing on the property which is the subject of the application have been paid or are currently being paid in timely installments pursuant to written agreement with the department of finance.

d. The department of finance shall issue a certificate of eligibility upon determining that the applicant satisfies the requirements for industrial, commercial or renovation construction work in an area where benefits are available for such work. Such certificate shall state whether such benefits are to be granted for industrial, commercial or renovation construction work, and in which class of area the property is located. The effective date of such certificate, except as provided in paragraph (2) or paragraph (4) of subdivision c of section 11-259 of this part, shall be the earlier of (1) the date on which a building permit for the construction work is issued by the department of buildings, or (2) the last day before the effective date of any designation of boundaries by the commission which changes the class of area in which the property is located so as to reduce the level of benefits for commercial construction work on such property. Where the effective date of the certificate of eligibility is July 1, 1992 or after, the benefits granted for industrial, commercial or renovation construction work pursuant to this part shall be in accordance with the provisions of this part as amended by local law number 73 for the year 1992, local law number 40 for the year 1994, local law number 58 for the year 1995 [and the], local law number 44 for the year 1999 [that added this clause] and the local law for the year 2003 that added this clause. Where the effective date of the certificate of eligibility is June 30, 1992 or before, the benefits granted for industrial or commercial construction work pursuant to this part shall be in accordance with the provisions of this part as it was in effect until June 30, 1992 immediately prior to its amendment by local law number 73 for the year 1992. No recipient whose property is the subject of a certificate of eligibility for commercial construction work in a deferral area shall be eligible to apply for a certificate of eligibility for renovation construction work on the same property, where the renovation construction work is the same as, or similar to, the commercial construction work for which the deferral area certificate was issued, until three years

after the effective date of the deferral area certificate. No recipient shall receive a tax deferral and a tax exemption for the same expenditure on eligible construction work.

§6. This act shall take effect July 1, 2003, except that if it shall have become a law subsequent to such date, it shall take effect immediately and shall be retroactive to and deemed to have been in full force and effect as of July 1, 2003, and except that this local law shall not take effect earlier than the effective date of a chapter of the laws of 2003 amending the real property tax law, in relation to extending for four years the time to apply for certain benefits under the industrial and commercial incentive program in a city having a population of one million or more and in relation to the boundaries of the new construction exemption area, as proposed in legislative bill number S.5214.

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