

STATE OF NEW YORK

8868

2009-2010 Regular Sessions

IN ASSEMBLY

June 11, 2009

Introduced by M. of A. SILVER, GLICK -- read once and referred to the Committee on Ways and Means

AN ACT to amend the general city law and the administrative code of the city of New York, in relation to eligibility of beneficiaries of the industrial and commercial abatement program for special rebates and discounts provided pursuant to the energy cost savings program and the lower Manhattan energy program

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Paragraph 1 of subdivision (b) of section 25-s of the
2 general city law, as amended by chapter 255 of the laws of 2007, is
3 amended to read as follows:
4 (1) non-residential premises that are wholly contained in property
5 that is eligible to obtain benefits under title two-D or two-F of arti-
6 cle four of the real property tax law, or would be eligible to receive
7 benefits under such article except that such property is exempt from
8 real property taxation and the requirements of paragraph (b) of subdivi-
9 sion seven of section four hundred eighty-nine-dddd of such [~~law~~] title
10 two-D, or the requirements of subparagraph (ii) of paragraph (b) of
11 subdivision five of section four hundred eighty-nine-cccccc of such
12 title two-F, whichever is applicable, have not been satisfied, provided
13 that application for such benefits was made after May third, nineteen
14 hundred eighty-five and prior to July first, two thousand ten, that
15 construction or renovation of such premises was described in such appli-
16 cation, that such premises have been substantially improved by such
17 construction or renovation so described, that the minimum required
18 expenditure as defined in such title two-D or two-F, whichever is appli-
19 cable, has been made, and that such real property is located in an
20 eligible area; or

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 § 2. Paragraph 6 of subdivision (b) of section 25-s of the general
2 city law, as amended by chapter 472 of the laws of 2000, is amended to
3 read as follows:

4 (6) nonresidential premises contained in real property not located in
5 an eligible area that otherwise meet the criteria of paragraph one, two,
6 three, four or five of this subdivision, where such premises shall be
7 used primarily for manufacturing activities and provided that such prem-
8 ises shall be improved as a result of expenditures in an amount in
9 excess of ten per centum of the assessed value of such real property
10 attributable to such premises at which such real property was assessed
11 for tax purposes for the tax year in which such improvements commenced,
12 except that the required expenditures for improvements to property
13 eligible to obtain benefits under title two-F of article four of the
14 real property tax law shall be the amount that an applicant must expend
15 on construction work for a project in order to qualify for benefits as
16 provided in such title. Attribution of value shall be made in accord-
17 ance with the rules and regulations of the city agency designated in the
18 local law enacted pursuant to section twenty-five-t of this article.
19 Only expenditures for improvements that have been identified as part of
20 the construction or reconstruction project meeting the requirements of
21 paragraph one, two, three, four or five of this subdivision, whichever
22 is applicable, shall qualify for purposes of satisfying the minimum
23 expenditure requirements of this subdivision. Notwithstanding the fore-
24 going, for purposes of applying the criteria of this subdivision, the
25 reference to May third, nineteen hundred eighty-five contained in para-
26 graphs one, two and four of this subdivision shall be deemed a reference
27 to May first, nineteen hundred eighty-six.

28 § 3. Paragraph 1 of subdivision (a) of section 25-aa of the general
29 city law, as amended by chapter 255 of the laws of 2007, is amended to
30 read as follows:

31 (1) is eligible to obtain benefits under title two-D or two-F of arti-
32 cle four of the real property tax law, or would be eligible to receive
33 benefits under such title except that such property is exempt from real
34 property taxation and the requirements of paragraph (b) of subdivision
35 seven of section four hundred eighty-nine-dddd of such title two-D, or
36 the requirements of subparagraph (ii) of paragraph (b) of subdivision
37 five of section four hundred eighty-nine-cccccc of such title two-F,
38 whichever is applicable, of the real property tax law have not been
39 satisfied, provided that application for such benefits was made after
40 the thirtieth day of June, nineteen hundred ninety-five and before the
41 first day of July, two thousand ten, that construction or renovation of
42 such building or structure was described in such application, that such
43 building or structure has been substantially improved by such
44 construction or renovation, and (i) that the minimum required expendi-
45 ture as defined in such title has been made, or (ii) where there is no
46 applicable minimum required expenditure, the building was constructed
47 within such period or periods of time established by title two-D or
48 two-F, whichever is applicable, of article four of the real property tax
49 law for construction of a new building or structure; or

50 § 4. Paragraph 1 of subdivision (i) of section 22-601 of the adminis-
51 trative code of the city of New York, as amended by chapter 255 of the
52 laws of 2007, is amended to read as follows:

53 (1) Non-residential premises that are wholly contained in property
54 that is eligible to obtain benefits under part four or part five of
55 subchapter two of chapter two of title eleven of this code, or would be
56 eligible to receive benefits under such chapter except that such proper-

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1 ty is exempt from real property taxation and the requirements of para-
2 graph two of subdivision g of section 11-259 of this code, or the
3 requirements of subparagraph (b) of paragraph two of subdivision e of
4 section 11-270 of this code, whichever is applicable, have not been
5 satisfied, provided that application for such benefits was made after
6 May third, nineteen hundred eighty-five and prior to July first, two
7 thousand ten, that construction or renovation of such premises was
8 described in such application, that such premises have been substantial-
9 ly improved by such construction or renovation so described, that the
10 minimum required expenditure as defined in such ~~chapter~~ part four or
11 part five, whichever is applicable, has been made, and that such real
12 property is located in an eligible area; or

13 § 5. Paragraph 6 of subdivision (i) of section 22-601 of the adminis-
14 trative code of the city of New York, as amended by chapter 472 of the
15 laws of 2000, is amended to read as follows:

16 (6) non-residential premises contained in real property not located in
17 an eligible area that otherwise meet the criteria of paragraph one, two,
18 three, four or five of this subdivision, where such premises shall be
19 used primarily for manufacturing activities and provided that such prem-
20 ises shall be improved as a result of expenditures in an amount in
21 excess of ten per centum of the assessed value of such real property
22 attributable to such premises at which such real property was assessed
23 for tax purposes for the tax year in which such improvements commenced,
24 except that the required expenditures for improvements to property
25 eligible to obtain benefits under part five of subchapter two of chapter
26 two of title eleven of this code shall be the amount that an applicant
27 must expend on construction work for a project in order to qualify for
28 benefits as provided in such part five. Attribution of value shall be
29 made in accordance with the rules and regulations of the mayor. Only
30 expenditures for improvements that have been identified as part of the
31 construction or reconstruction project meeting the requirements of para-
32 graph one, two, three, four or five of this subdivision, whichever is
33 applicable, shall qualify for purposes of satisfying the minimum expend-
34 iture requirements of this subdivision. Notwithstanding the foregoing,
35 for purposes of applying the criteria of this subdivision, the reference
36 to May third, nineteen hundred eighty-five contained in paragraphs one,
37 two and four of this subdivision shall be deemed a reference to May
38 first, nineteen hundred eighty-six.

39 § 6. This act shall take effect immediately and shall be deemed to
40 have been in full force and effect on and after July 1, 2008.

**NEW YORK STATE ASSEMBLY
MEMORANDUM IN SUPPORT OF LEGISLATION
submitted in accordance with Assembly Rule III, Sec 1(f)**

BILL NUMBER: A8868

SPONSOR: Silver (MS)

TITLE OF BILL: An act to amend the general city law and the administrative code of the city of New York, in relation to eligibility of beneficiaries of the industrial and commercial abatement program for special rebates and discounts provided pursuant to the energy cost savings program and the lower Manhattan energy program

SUMMARY OF PROVISIONS: This bill would amend provisions of the General City Law and the Administrative Code of the City of New York, to modify the City's Energy Cost Savings Program ("ECSP") and Lower Manhattan Energy Program ("LMEP") to establish eligibility for the Industrial and Commercial Abatement Program (/CAP) as a basis for eligibility for ECSP and LMEP.

REASONS FOR SUPPORT: For the last twenty-two years, ECSP has allowed applicants to qualify for benefit:ion the basis of eligibility for the Industrial and Commercial Incentive Program (ICIP). Similarly, LMEP has allowed applicants to qualify for benefits on the basis of eligibility for ICIP since its enactment in 1995. ICIP sunset on June 30, 2008 and was replaced by the similar ICAP on July 1, 2008. This bill would amend provisions of ECSP and LMEP to allow qualification for benefits on the basis of eligibility for ICAP. This bill would provide that applicants that have qualified for ECSP or LMEP on the basis of ICIP eligibility before the ICIP sunset would continue to be eligible for energy benefits.

ECSP provides benefits, in the form of "special rebates" and "discounts", to firms moving to designated areas of the City or malting prescribed levels of investment to expand or upgrade their premises within designated areas of the City. LMEP provides similar benefits to owners of buildings in the Lower Manhattan area and requires that the benefits be passed through to qualified tenants. At the core of both programs is a requirement that the local utility provide eligible beneficiaries with a special rebate against their energy bills. (The utility is given a credit against its utility tax liability equal to the amount of special rebates granted.) Both programs arc designed to stem the loss of industrial and commercial jobs to other regions outside the City, which can offer lower energy costs. These programs also promote the renovation - and modernization of older commercial and industrial space, thereby providing an incentive for businesses to relocate to, or to renovate, and/or expand within New York City..

Currently, through ECSP and LMEP, New York City provides energy benefits to over 1,000 businesses that employ over 50,000 individuals within the City's five boroughs. The two programs currently save businesses approximately \$46 million annually in energy costs.

Accordingly, the Mayor urges the earliest possible favorable consider-

ation of this proposal by the Legislature. Respectfully
