

## TAX EXEMPTIONS

### SECTION 577 PRIVATE HOUSING FINANCE

1. (a) The local legislative body of any municipality in which a project of a housing development fund company is or is to be located may exempt the real property in such project from local and municipal taxes including school taxes, other than assessments for local improvements, to the extent of all or part of the value of the property included in the completed project. The tax exemption shall operate and continue for such period as may be provided by such local legislative body, but in no event for a period of more than forty years, commencing in each instance from the date on which the benefits of such exemption first became available and effective.

(b) Where a municipality acts on behalf of another taxing jurisdiction in assessing real property for the purpose of taxation, or in levying taxes therefor, the action of the local legislative body of such municipality in granting such tax exemption shall have the effect of exempting the real property in such project from local and municipal taxes including school taxes, other than assessments for local improvements, levied by or in behalf of both such taxing jurisdictions.

(c) The local legislative body of any municipality may grant an exemption under paragraph (a) of this subdivision to the real property of a project of any entity to which it is authorized to make a loan pursuant to section five hundred seventy-six-c of this article.

#### **ASSESSORS MANUAL VOL. 4 EXEMPTION ADMINISTRATION**

2. **SUMMARY:** If allowed by local option, real property that is owned by a housing development fund company (HDFC) and is used for low-income housing is wholly or partially exempt from taxation, but is liable for special ad valorem levies and special assessments. If the HDFC enters into a loan agreement with the granting municipality, this local option exemption may be extended to the housing development fund company, or any of the following related entities: a wholly owned subsidiary of such a company, a partnership, the controlling interest of which is held by the company, or a private developer which has agreed to limit profits according to a formula approved by the company. fund company shall be exempt from the mortgage recording taxes imposed by article eleven of the tax law.

ue only so long as such agreement is in force and effect.