

2024-25 Executive, Senate & Assembly Budget Summaries

The State [Senate](#) and [Assembly](#) released their one house budgets on March 11. Over the next few weeks, the Legislature and Governor will negotiate a final budget, which is due by April 1, 2024.

On January 16, Governor Kathy Hochul presented her [FY 2024-25 Executive Budget proposal](#), which begins the state budget negotiation process leading up to the April 1, 2024 budget deadline. Governor Hochul proposed a \$233 billion budget that does not include any personal income or business tax increases. Some of the largest cost factors in this year's budget include Education (\$35 billion, including an increase of \$921 million), Medicaid funding (\$40 billion, including 11% growth at an additional \$3 billion) and costs to continue to support migrant sheltering and services (additional \$2 billion).

The Governor did not include any “good cause” eviction provisions in her Executive Budget, however the Senate included language in its budget proposal indicating a willingness to include additional tenant protections as part of an overall housing agreement.

A summary of real estate related proposals from the Executive, Senate and Assembly Budgets can be found below.

Increase the Housing Supply

EXECUTIVE: Develop Housing on State Property

The FY 2025 Executive Budget makes available \$250 million as the first installment of \$500 million dedicated capital under the management of ESD to support improvements and repurposing of state properties (former correctional facilities for example) for housing development.

- **SENATE:** modifies the proposal to require that affordable housing be built as a condition of a lease of the identified property
- **ASSEMBLY:** omitted

EXECUTIVE: Preserve and Expand NYC Housing Development

The Executive Budget puts forth legislation specific to NYC to reverse state law that restricts maximum density of residential floor area, bolster local tax incentives to allow for affordable housing in office-to-residential conversions, and authorize the NYC to create a pathway to legalize basement apartments. The Executive Budget also authorizes a new residential construction tax incentive in NYC and extends the completion deadline for the expired 421-a tax abatement.

- **SENATE:** modifies the Executive proposal to increase the residential floor area ratio in NYC by requiring new housing on these lots to include minimum percentages of permanently affordable housing and mandatory inclusionary housing, where applicable; modifies the Executive proposal for commercial conversions in NYC to require a greater number of affordable units per project & to specify the benefit amount and duration; omits the Executive proposal to legalize certain basement and cellar dwellings in NYC; omits the 421-a related proposals with the intention of addressing these projects as part of a comprehensive housing package that includes tenant protections.
- **ASSEMBLY:** Omitted

EXECUTIVE: Continue Progress on Five-Year Housing Plan

The Executive Budget continues a \$25 billion, five-year housing plan to create and preserve 100,000 affordable homes, including 10,000 homes with support services for vulnerable populations, and electrify an additional 50,000 homes as part of the State's plan to electrify 1 million homes and make another 1 million electrification ready. Funding includes \$5.7 billion in State capital resources, \$8.8 billion in State and Federal tax credits and other Federal allocations, and \$11 billion to support the operation of shelters and supportive housing units and to provide rental subsidies. Additionally, the FY 2025 Executive Budget establishes a \$500 million fund to support infrastructure upgrades on State sites and properties that could be repurposed to create up to 15,000 units of housing.

- **SENATE:** Adds \$1.1 billion in capital funding for housing (\$120 million for the construction and repair of 1-2 family homes in upstate cities, apartments outside of NYC and rent-stabilized apartments in NYC, Westchester, Rockland, & Nassau counties)
- **ASSEMBLY:** Adds \$1.8 billion in capital funding for housing

The Senate includes the following ADDITIONAL real estate related proposals:

- create the Housing Access Voucher Program to provide rental assistance to individuals who are homeless or at risk of becoming homeless.
- create an optional incentive program for municipalities to legalize accessory dwelling units, to create an optional tax exemption for homeowners to create accessory dwelling units, and to create a state-level financing for accessory dwelling units.
- establish a statewide right to counsel in eviction proceedings and establish the Office of Civil Representation.
- provide capital financing for the for the construction of 1-2 family infill homes in Buffalo, Albany, Rochester, Syracuse and Binghamton.
- provide grants to owners of 5 or fewer units to bring dilapidated apartments up to code outside of NYC.
- create an optional multifamily tax exemption for new construction and commercial conversions in municipalities outside of NYC.
- offer grants to repair vacant rent-stabilized apartments in NYC, as well as Nassau, Rockland and Westchester counties.
- finance the construction of new affordable & mixed-income housing on state-owned land
- increase public access and support for individuals at risk of eviction to keep them in their homes.
- create a community land trust acquisition fund.
- codify the Homeowner Protection Program.

The Assembly includes the following ADDITIONAL real-estate related proposals:

- create the Housing Access Voucher Program to provide rental assistance to individuals who are homeless or at risk of becoming homeless.
- establish the homeownership opportunity connection program
- establish a statewide right to counsel in eviction proceedings and establish the Office of Civil Representation.
- codifies the Governor's Executive Order to establish & certify pro-housing communities.

Other Real Estate Related Proposals

EXECUTIVE: Addressing Section 8 Discrimination and Deed Theft

The Executive Budget will direct the Division of Human Rights to strengthen efforts to enforce state law prohibiting a housing provider or a real estate professional from discriminating against an individual seeking housing because of their use of a Section 8 Housing Choice Voucher. The Executive Budget will also prohibit insurance companies from refusing to cover affordable housing and ensure safeguarding against deed theft and other real property fraud.

- **SENATE:** modifies the Executive proposal to strengthen its criminal law components
- **ASSEMBLY:** omitted

EXECUTIVE: Modernize Tax Law to Include the Vacation Rental Industry

Under the Executive Budget, any vacation rental marketplace provider that facilitates the occupancy of a vacation rental will be responsible for collecting and remitting the State and local sales taxes, in addition to the NYC hotel unit fee.

- **SENATE:** modifies the Executive proposal to include its own language to establish a statewide registry of short-term rentals, while allowing localities to maintain their own registries, and impose sales, motel, and hotel taxes on short term rentals
- **ASSEMBLY:** same as Senate

EXECUTIVE: Return Tax Foreclosure Surplus to Property Owner

To implement the Supreme Court's holding, the Executive Budget provides that when a tax delinquent property is foreclosed upon by the county and sold, any money the county receives that exceeds the liability amount (e.g., overdue taxes, penalties, interest, mortgage liens, etc.) will be returned to the property owner or lienors.

- **SENATE:** modifies the Executive proposal by adding homeowner protections
- **ASSEMBLY:** omitted

ADDITIONAL SENATE & ASSEMBLY REVENUE PROPOSALS

Increase Personal Income Tax Rates on Higher Earners

SENATE: advances language to increase the personal income tax rates for filers making over \$5 million but not over \$25 million from 10.3 to 10.8 percent and for filers making over \$25 million from 10.9 to 11.4 percent for Tax Years 2024 through 2027.

ASSEMBLY: same as Senate

Property Tax Relief

SENATE: proposes to extend the real property tax relief credit for 3 years and expand eligibility

ASSEMBLY: proposes to reauthorize the homeowner tax rebate credit for STAR recipients in tax year 2024 only

Corporate Franchise Tax

SENATE: increase the corporate franchise tax for taxable years 2024 through 2027 for taxpayers with a business income base of more than \$5 million to 9% of the taxpayer's business income (increased from 7.25%)

ASSEMBLY: same as Senate