

Exemption Administration Manual - Part 2

Multiple Dwellings

Section 4.07 - PHFL Section 97

Limited-Dividend Housing Companies Organized Pursuant to State Housing Law of 1926 (Building erected prior to January 2, 1937)

PHFL Section 97

Exemption Code(s): 4854 _

Year Originally Enacted: 1939

Related Statutes: L. 1926, ch. 823

SUMMARY: To the extent allowed by local option, real property that (1) is owned by a public limited-dividend housing company organized under the State Housing Law of 1926, or (2) is owned, managed, and operated by a private limited-dividend housing company organized under the State Housing Law of 1926, and (3) is used for a low-income or moderate-income housing project erected prior to January 2, 1937 is exempt from taxation, but is liable for special ad valorem levies and special assessments.

A. ELIGIBILITY REQUIREMENTS:

- Ownership Requirements:** Property must be owned by a public limited-dividend housing company or must be owned, managed, and operated by a private limited-dividend housing company. The specific organizational requirements are as follows:

Laws under which incorporation required: L. 1926, ch. 823 (State Housing Law - repealed effective 7/1/39)

Restrictions on corporate purposes or activities as stated in certificate of incorporation: (1) Company must be organized exclusively to acquire, construct, maintain, and operate housing projects authorized by the State Board of Housing or other appropriate state authority and (2) no stockholder of the corporation may receive, in repayment of his investment, any sum in excess of the par value of the stock, together with cumulative dividends at the rate of 6% per year.

- Property Location Requirements:** None.
- Property Use Requirements:** Property must be used for housing for low-income or moderate-income persons or families. For a description of the income limits of low-income persons, see Chart ID, PHFL Article 4, §85-a. The statute sets no limits on the income of moderate-income persons.
- Certification by State or Local Government:** None required.
- Required Construction Start Date or Other Time Requirement:** Building must have been erected prior to January 2, 1937.

- LOCAL OPTION:** Yes – Each county, city, town, or village in which the property is located may choose (1) whether or not to allow the exemption and (2) whether to allow exemption of all or part of the value of the project.

C. LIMITATION ON EXEMPTION:

	General Municipal Taxes	School District Taxes	Special Ad Valorem Tax	Special Assessments
1. Amount	Local option may limit	Local option may limit	No exemption allowed	No exemption allowed
2. Duration	Local option may limit	Local option may limit	No exemption allowed	No exemption allowed
3. Taxing Jurisdiction				
a. County or County Special Districts	Ex*	NA	Tax	Tax
b. City	Ex*	NA	NA	Tax

c. Town or Town Special District	Ex*	NA	Tax	Tax
d. Village	Ex*	NA	NA	Tax
e. School District	NA	Ex*	NA	NA
	Ex-Exempt	Tax-Taxable	NA-Not Applicable	

* If allowed by local option.

D. **PAYMENTS IN LIEU OF TAXES:** None required.

E. **CALCULATION OF EXEMPTION:**

1. **General Municipal and School District Taxes:** % of assessed value allowed by local option.
2. **Special Ad Valorem Levies and Special Assessments:** No exemption allowed.

F. **CODING OF EXEMPTION ON ASSESSMENT ROLL:**

Code	Description of Alternative Codes Possible
4854	

Assessment Roll Section(s): Taxable (ARLM Section 1).

NOTE: This code should not be used to identify property that is exempt under any of the statutes listed under Similar Exemptions below.

G. **FILING REQUIREMENTS (Owner or Occupant of Property):** None.

H. **REPORTING REQUIREMENTS (Assessor):** None.

I. **SIMILAR EXEMPTIONS:** See [Chart IA](#) and [Chart IB](#).

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