

# Proposed Local Law Number 8 Of 2012

## County Of Ulster

### A Local Law Enacting A First Time Homebuyer County Property Tax Exemption

**BE IT ENACTED**, BY THE LEGISLATURE OF THE COUNTY OF ULSTER, as follows:

#### **SECTION 1. LEGISLATIVE INTENT AND PURPOSE.**

The Ulster County Legislature finds and determines that home ownership within the County by persons of moderate income is essential in order to create a positive climate for economic growth and to attract future homeowners.

The Legislature further finds that the New York State Legislature has enacted New York Real Property Tax Law section 457 to allow local municipalities the option to offer a partial County property tax exemption for certain first time homebuyers of newly constructed homes.

Therefore, the purpose of this law is to enact a local first time homebuyer partial County property tax exemption pursuant to New York Real Property Tax Law section 457.

#### **SECTION 2. REAL PROPERTY TAX EXEMPTION FOR FIRST TIME HOMEBUYERS**

##### **A. Statutory Authority**

The County of Ulster hereby elects to grant the tax exemption authorized under § 457 of the New York Real Property Tax Law.

##### **B. Definitions**

As used in this article, the following terms shall have the meanings indicated:

**FIRST-TIME HOMEBUYER** -- A person who has not owned a primary residential property and is not married to a person who has owned a residential property during the three-year period prior to his or her purchase of the primary residential property and who does not own a vacation or investment home.

**HOUSEHOLD INCOME** -- The total combined income of all the owners, and of any owners' spouses residing on the premises, for the income tax year preceding the date of making application for the exemption.

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**INCOME** -- The adjusted gross income for federal income tax purposes as reported on the applicant's latest available federal or state income tax return subject to any subsequent amendments or revisions, reduced by distributions, to the extent included in federal adjusted gross income, received from an individual retirement account, and an individual retirement annuity, provided that if no such return was filed within the one-year period preceding taxable status date, "income" shall mean the adjusted gross income that would have been so reported if such a return had been filed. For purposes of this definition, "latest available return" shall mean the federal or state income tax return for the year immediately preceding the date of making application; provided, however, that if the tax return for such tax year has not been filed, then the income tax return for the tax year two years preceding the date of making application shall be considered the latest available.

**NEWLY CONSTRUCTED** -- An improvement to real property which was constructed as a primary residential property, and which has never been occupied and was constructed after the effective date of this article. "Newly constructed" shall also mean that portion of a primary residential property that is altered, improved, or reconstructed.

**PRIMARY RESIDENTIAL PROPERTY** -- Any one- or two-family house, townhouse, or condominium located in this state which is owner-occupied by such homebuyer.

**C. Real Property Tax Exemption For First Time Homebuyers Of Newly Constructed Homes Granted**

1. Newly constructed primary residential property located within the County of Ulster and purchased by one or more persons, each of whom is a first-time homebuyer and has not been married to a homeowner in the three years prior to applying for this first-time homeowners exemption, shall be exempt from taxation levied by or on behalf of the County of Ulster, for a period of five years.

2. Such exemption shall be computed in accordance with the following table:

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Year of Exemption	Percentage of Assessed Valuation Exempt From Tax
1	50%
2	40%
3	30%
4	20%
5	10%
6 or more	0%

**D. Eligibility**

1. Any newly constructed primary residential real property within the purchase price limits defined by the State of New York Mortgage Agency (SONYMA) low interest rate mortgage program in the non-target, "one-family, new" category for Ulster County, and in effect on the contract date for the purchase and sale of such property, shall be eligible for the exemption allowed pursuant to paragraph C of this article.

2. A first-time homebuyer who either as part of a written contract for sale of the primary residential property or who enters into a written contract within 90 days after closing on the sale of the primary residence for reconstruction, alteration or improvements, the value of which exceeds \$3,000, to the primary residential property shall be exempt from taxation to the extent provided by this article. Such exemption shall apply solely to the increase in assessed value thereof attributable to such reconstruction, alteration, or improvement, provided that the assessed value after reconstruction, alteration, or improvements does not exceed 15% more than the purchase price limits as defined in Subsection A of this section. For purposes of this subsection, the terms "reconstruction," "alteration" and "improvement" shall not include ordinary maintenance and repairs.

3. A first-time homebuyer shall not qualify for the exemption authorized pursuant to this article if the household income exceeds income limits defined by the SONYMA low interest rate mortgage program in the non-target, one- and two-person-household category for Ulster County in effect on the contract date for the purchase and sale of such property.

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**E. Applicability to newly constructed property; cutoff date for exemption**

1. Newly constructed primary residential property purchased by first-time homebuyers at a sales price greater than the maximum eligible sales price shall qualify for the exemption allowed pursuant to this article for that portion of the sales price of such newly constructed primary residential property equal to the maximum eligible sales price; provided, however, that any newly constructed primary residential property purchased at a sales price greater than 25% above the maximum eligible sales price shall not be allowed any exemption.

2. No exemption shall be allowed pursuant to this article for any newly constructed primary residential property purchased by a first-time homebuyer on or after December 31, 2016, unless such purchase is pursuant to a binding written contract entered into prior to December 31, 2016; provided, however, that any first-time homebuyer who is allowed an exemption pursuant to this article prior to such date shall continue to be allowed further exemptions pursuant to paragraph C of this article.

**F. Restrictions on use of eligible property**

1. No portion of a single family newly constructed primary residential property shall be leased during the period of time when the first-time homeowner exemption shall apply to the residence. If any portion of the single-family newly constructed primary residential property is found to be the subject of a lease agreement, the Assessor shall discontinue any exemption granted pursuant to this article.

2. In the event that a primary residential property granted an exemption pursuant to this article ceases to be used primarily for residential purposes or title thereto is transferred to other than the heirs or distributees of the owner, the exemption granted pursuant to this article shall be discontinued.

2. Upon determining that an exemption granted pursuant to this article should be discontinued, the Assessor shall mail a notice so stating to the owner or owners thereof at the time and in the manner provided by § 510 of the New York Real Property Tax Law. Such owner or owners shall be entitled to seek administrative and judicial review of such action in the manner provided by law, provided that

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the burden shall be on such owner or owners to establish eligibility for the exemption.

**G. Application for exemption**

1. Such exemption shall be granted only upon application by the owner of such building on a form prescribed by the State Board of Real Property Services. The application shall be filed with the Assessor of the pertinent town having the power to assess property for taxation on or before the appropriate taxable status date of Ulster County.

2. If satisfied that the applicant is entitled to an exemption pursuant to this article, the Assessor shall approve the application, and such primary residential property shall thereafter be exempt from taxation and special ad valorem levies as provided in this article commencing with the assessment roll prepared on the basis of the taxable status date referred to in Subsection A of this section. The assessed value of any exemption granted pursuant to this article shall be entered by the Assessor on the assessment roll with the taxable property, with the amount of the exemption shown in a separate column.

**H. Filing**

The Clerk of the Ulster County Legislature is hereby directed to file a copy of this article with the State Board of Real Property Services and the 20 Town Assessors and 1 City Assessor who prepare the assessment roll on which the taxes of this County are levied.

**SECTION 3. EFFECTIVE DATE.**

This local law shall take effect immediately upon filing in the office of the Secretary of State and shall apply to taxable years beginning on or after January 1, 2013.