

Local Law Number 7 Of 2024

County Of Ulster

A Local Law Providing Real Property Tax Exemption Of The County Portion Of The Real Property Taxation And Special Ad Valorem Levies For The Creation Of New Accessory Dwelling Units In Accordance New York State Real Property Tax Law Article 4 Title 2 Private Property Section 421-P*2

BE IT ENACTED, by the Legislature of the County of Ulster, as follows:

SECTION 1. LEGISLATIVE INTENT.

The Ulster County Legislature finds that all residents of Ulster County deserve safe housing at an affordable cost. As articulated in Ulster County’s Housing Action Plan for 2021, (“UCHAP”), there is a housing crisis in Ulster County, stemming from an alarming scarcity of affordable housing available to Ulster County residents.

The UCHAP revealed that there is an insufficient inventory of homes at an affordable price point and that 28% of renter households and 14% of owner households in Ulster County spend more than half their income on housing costs, confirming that housing represents a cost burden that is untenable for many of Ulster County’s residents.

The UCHAP recommended a Housing Smart Communities Initiative that has been established and includes recommendations to promote the development of accessory dwelling units and to utilize Real Property Tax Law as a means to promote construction of new units and improvements to existing units.

Accessory dwelling units (ADU’s) provide flexible living situations; allow for residents who are looking to age in place, want to downsize but stay in their community, or have a dependent family members; are an efficient use of existing sewer and water infrastructure; create additional housing utilizing the existing housing stock; can be a source of rental income for homeowners, to assist in meeting their mortgage and other housing costs; and often help stabilize neighborhoods by providing affordable and alternative housing situations.

Pursuant New York State Real Property Tax Law Article 4 Title 2 Private Property Section 421-P*2 “Exemption of capital improvements to residential new construction involving the creation of accessory dwelling units,” the County is authorized to provide for the exemption of capital improvements to residential new construction involving the creation of one more additional residential dwelling units on the same parcel as a preexisting residential unit.

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SECTION 2. APPLICABILITY.

- A. Ulster County hereby adopts New York State Real Property Tax Law Article 4 Title 2 Private Property Section 421-P*2 for the exemption of capital improvements to residential new construction involving the creation of attached and detached accessory dwelling units and/or accessory apartments applicable for all Ulster County municipalities where accessory dwelling units and accessory apartments are permitted by-right or other permitting process as further provided for below.
- B. That newly created accessory dwelling units and/or accessory apartments subject to this local law shall be exempt for a period for five years to the extent of one hundred per centum of the increase in assessed values attributable to the newly created residential unit, that in each of the subsequent three years the extent of such exemption shall be decreased by twenty five per centum, and that in each of the subsequent two years the extent of such exemption shall be decreased by a further ten per centum.
- C. That property owners shall be eligible to apply such exemption once they have received a building permit from their local permitting authority for the creation of the accessory dwelling unit and/or accessory apartment and have received a Certificate of Occupancy from the permitting authority for the accessory dwelling unit and/or accessory apartment.
- D. That the assessor of such city, town or village who prepares the assessment roll on which the taxes of such county, city, town, village or school district are levied shall approve, carry out, and revoke 421-p exemption status in accordance with this local law and the New York State Real Property Tax Law Article 4 Title 2 Private Property Section 421-P*2 as applicable.
- E. That no such exemption shall be granted unless the creation of the ADU was commenced subsequent to the effective date of this local law.

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- F. That no such exemption shall be granted to a property where there is a violation of any local municipal Code, Ordinance, or Local Law or where there exists past due property taxes, water of sewer fees, or any other fees or past due monies.
- G. The amount of such exemption shall be limited to two hundred thousand dollars (\$200,000.00) in increase market value of the property attributable to such newly created dwelling unit.
- H. This Local Law and the requirements set forth herein shall apply to all newly created accessory dwelling units and/or apartments within Ulster County.
- I. Application for such exemption shall be made by the property owner of record, and filed with the assessor of such city, town or village who prepares the assessment roll on which the taxes of such county, city, town, village or school district are levied on or before the taxable status date on a form prescribed by the New York State Department of Taxation and Finance. Any applicant or person who files an application pursuant to this Local Law, and is convicted of willfully making any false statement in the application or documentation for such exemption, shall be subject to the penalties prescribed in the Penal Law.

SECTION 3. SEVERABILITY.

If any provision of this act, or any application of any provision of this article, is held to be invalid, that shall not affect the validity or effectiveness of any other provision of this act, or of any other application of any provision of this article, which can be given effect without that provision or application; and to that end, the provisions and applications of this article are severable.

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SECTION 4. NOTIFICATION.

The Commissioner of Finance or designee shall file a copy of this local law with the assessor of such county, city, town or village who prepares the assessment roll on which the taxes of such county, city, town, village or school district are levied.

SECTION 4. EFFECTIVE DATE.

This Local Law shall take effect immediately upon filing with the Office of the Secretary of State of the State of New York.

Adopted by the County Legislature: March 18, 2025

Approved by the County Executive: April 15, 2025

Filed with New York State Department of State: April 22, 2025