Village of Croton-on-Hudson New York

Stanley H. Kellerhouse Municipal Building
One Van Wyck Street
Croton-on-Hudson, NY 10520-2501

To: Village Board of Trustees
From: Bryan Healy, Village Manager
Date: May 9, 2024
Re: Tax Exemptions for Consideration

I have reviewed the Real Property Tax Law for New York State and would like to bring the below tax exemptions to the Board for their consideration. If adopted, these exemptions would apply to a property owner's Village tax bill.

1. Exemption of capital improvements to residential new construction involving the creation of accessory dwelling units: This exemption has recently been enacted as part of the FY2025 state budget. The law allows for 100% exemption for five years and then a sliding scale exemption for the next five years. After 10 years, the exemption ceases and the property owner begins paying on the full value of the construction. The exemption is limited to $200,000 in increased market value.
2. Exemption for first-time homebuyers of newly constructed homes: This exemption allows for first-time homebuyers to be exempt from a portion of Village taxes for a period of up to five years. The exemption would be a sliding scale (50% exemption first year, 40% exemption second year, etc.). The exemption has an income limit based on the State of New York Mortgage Agency Low Interest Rate Program (currently set at $176,200 for Westchester). The exemption will sunset on December 31, 2028, unless extended by the state legislature.
3. Improvements to property made pursuant to the Americans with Disabilities Act of 1990: This exemption provides for a 10-year sliding scale exemption for improvements made to a property to make it ADA accessible.
4. Exemption for physically disabled crime victims: This exemption provides for a permanent exemption of improvements made to a property for an individual who was a good Samaritan or crime victim and left physically disabled.
5. Exemption for improvements to real property meeting certification standards for green buildings: This exemption allows for an exemption of the increased assessed value for buildings who meet certain green building standards, provided that the construction occurred after the adoption of the local law, the value of construction is more than $10,000 and the property owner received a building permit, if required. A 10-year exemption schedule is provided and the Board is authorized to set a maximum exemption amount.
6. Assessment exemption for living quarters for parent or grandparent: This exemption allows for the value of construction/reconstruction for a parent/grandparents aged 62 and over to be exempted. There is an annual renewal application required for this exemption to ensure it is being applied correctly.