**VILLAGE OF CROTON-ON-HUDSON**
**BOARD OF TRUSTEES**

# LOCAL LAW INTRODUCTORY NO. 9 OF 2024

## A LOCAL LAW TO AMEND CHAPTER 204, TAXATION, OF THE CODE OF THE VILLAGE OF CROTON-ON-HUDSON TO PROVIDE FOR EXEMPTIONS FOR THE COST OF CAPITAL IMPROVEMENTS TO RESIDENTIAL PROPERTY INVOLVING THE CREATION OF ACCESSORY DWELLING UNITS AND TO PROVIDE FOR LIVING QUARTERS FOR PARENT OR GRANDPARENT

BE IT ENACTED by the Board of Trustees of the Village of Croton-on-Hudson as follows:

**Section One**. There is hereby added to Chapter 204, Taxation, of the Code of the Village of Croton-on-Hudson a new Article X entitled "Exemption of Capital Improvements to Residential Property For the Creation of Accessory Dwelling Units" to read as follows:

Article X **Exemption of Capital Improvements to Residential Property For the Creation of Accessory Dwelling Units**

§ 204-49. **Exemption granted.**

Pursuant to § 421-p of the Real Property Tax Law and subject to all the conditions set forth therein, residential buildings that are reconstructed, altered, improved or newly constructed in order to create one or more additional residential dwelling units on the same parcel as a preexisting residential building to provide independent living facilities for one or more persons shall be partially exempt from taxation and special ad valorem levies as provided herein and in RPT §421-p. Such exemption may only be granted for an accessory apartment permitted pursuant to §230-41 of the Village of Croton-on-Hudson Zoning Code.

§ 204-50**. Limitations.**

A. Such exemption shall be for a period of five years to the extent of one hundred per centum of the increase in assessed value thereof attributable to such reconstruction, alteration, improvement, or new construction for such additional residential unit or units, and for an additional period of five years subject to the following:
    1. The extent of such exemption shall be decreased by twenty-five per centum of the "exemption base" for each of the first three years during such additional period and shall be decreased by a further ten per centum of the exemption base during each of the final two years of such additional period. The exemption shall expire at the end of the extended period. The "exemption base" shall be the increase in assessed value as determined in the initial year of the term of the exemption, or as otherwise set forth in § 421-p2(a)(ii) of the Real Property Tax Law.
    2. In any year in which a change in level of assessment of fifteen percent or more is certified for a final assessment roll pursuant to the rules of the commissioner of taxation and finance, the exemption base shall be multiplied by a fraction, the numerator of which shall be the total assessed value of the parcel on such final

assessment roll (after accounting for any physical or quantity changes to the parcel since the immediately preceding assessment roll), and the denominator of which shall be the total assessed value of the parcel on the immediately preceding final assessment roll. The result shall be the new exemption base. The exemption shall thereupon be recomputed to take into account the new exemption base, notwithstanding the fact that the assessor receives certification of the change in level of assessment after the completion, verification and filing of the final assessment roll. In the event the assessor does not have custody of the roll when such certification is received, the assessor shall certify the recomputed exemption to the local officers having custody and control of the roll, and such local officers are hereby directed and authorized to enter the recomputed exemption certified by the assessor on the roll. The assessor shall give written notice of such recomputed exemption to the property owner, who may, if such property owner believes that the exemption was recomputed incorrectly, apply for a correction in the manner provided by title three of article five of the Real Property Tax Law for the correction of clerical errors.

3. Such exemption shall be limited to two hundred thousand dollars in increased market value of the property attributable to such reconstruction, alteration, improvement or new construction and any increase in market value greater than such amount shall not be eligible for the exemption pursuant to this article. The market value of the reconstruction, alteration, improvement or new construction shall be calculated as set forth in § 421-p2(a)(iii) of the Real Property Tax Law.

B. No such exemption shall be granted for reconstruction, alterations, improvements or new construction unless:

1. Such reconstruction, alteration, improvement or new construction was commenced subsequent to the effective date of this local law; and

2. The value of such reconstruction, alteration, improvement or new construction exceeds three thousand dollars; and

3. Such reconstruction, alteration, improvement or new construction created one or more additional residential dwelling units on the same parcel as the preexisting building to provide independent living facilities for one or more persons as permitted by §230-41 of the Village of Croton-on-Hudson Zoning Code.

C. For the purposes of this article, reconstruction, alteration, improvement or new construction shall not include ordinary maintenance or repairs.

D. If a building 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 cease.

§ 204-51. **Application for exemption.**

Such exemption shall be granted only upon application by the owner of such building on a form prescribed by the commissioner of taxation and finance. The application shall be filed with the

Assessor of the Village of Croton-on-Hudson on or before the taxable status date of January 1 to be eligible for an exemption to be entered on the assessment roll prepared on the basis of said taxable status date.

**Section Two**. There is hereby added to Chapter 204, Taxation, of the Code of the Village of Croton-on-Hudson a new Article XI entitled "Exemption for Construction of Living Quarters for Parent or Grandparent" to read as follows:

Article XI. **Exemption for Construction of Living Quarters for Parent or Grandparent**

§ 204-52. **Exemption granted.**

Pursuant to § 469 of the Real Property Tax Law and subject to all the conditions set forth in therein, the Village of Croton-on-Hudson does hereby provide for an exemption from taxation to the extent of any increase in assessed value of residential property resulting from the construction or reconstruction of such property for the purpose of providing living quarters for a parent or grandparent, who is sixty-two years of age or older. For the purposes of this article, a parent or grandparent shall be deemed to include the birth or adoptive parents and grandparents of the owner of the real property or of the owner's spouse.

§ 204-53. **Limitations**.

A. The exemption set forth in § **204-53** above shall not exceed:

    1. The increase in assessed value resulting from construction or reconstruction of such property for such purpose; or

    2. Twenty percent of the total assessed value of such property as improved; or

    3. Twenty percent of the median sale price of residential property as reported in the most recent sales statistical summary published by the commissioner of taxation and finance for the county in which the property is located, whichever is less.

B. No such exemption shall be granted unless:

    1. The property is within the geographical area in which such construction or reconstruction is permitted; and

    2. The residential property so constructed or reconstructed is the principal place of residence of the owner.

C. Such exemptions shall be applicable only to construction or reconstruction which occurred subsequent to the effective date of this article and shall only apply during taxable years during which at least one such parent or grandparent maintains a primary place of residence in such living quarters.

§ 204-54. **Application for exemption**.

Such exemption from taxation shall be granted upon an application made annually, upon a form to be promulgated by the commissioner of taxation and finance, by the owner of such property to the Assessor of the Village of Croton-on-Hudson on or before the taxable status date of January 1. If the Assessor is satisfied that the property is entitled to an exemption pursuant to this article, they shall approve the application and such residential improvements shall be exempt from taxation and special ad velorem levies as set forth herein and in RPTL §469.

§ 204-55. **Penalties for false statements.**

Any conviction of having made any willful false statement in the application for such exemption shall result in the revocation thereof, be punishable by a civil penalty of not more than one hundred dollars and shall disqualify the applicant or applicants from further exemption for a period of five years.

**Section Three**. Severability**.**
If any section, subsection, clause, phrase or other portion of this Local Law is, for any reason, declared invalid, in whole or in part, by any court, agency, commission, legislative body or other authority of competent jurisdiction, such portion shall be deemed a separate, distinct and independent portion. Such declaration shall not affect the validity of the remaining portions thereof, which other portions shall continue in full effect.

**Section Four**. Effective Date.
This local law shall take effect immediately upon filing in the office of the New York State Secretary of State in accordance with Section 27 of the Municipal Home Rule Law.