



Monroe County Legislature

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To the Honorable
Monroe County Legislature
407 County Office Building
39 West Main Street
Rochester, New York 14614

Re: Enacting a Local Law to Amend Chapter 357 of the Monroe County Code, to Enact a Real Property Tax Exemption for Capital Improvements to Residential Properties

Honorable Legislators:

Section 510 of Real Property Tax Law provides municipalities the opportunity to adopt an eight-year partial real property tax exemption to home owners, as they make significant improvements to their homes. This will allow the County to support taxpayers as they continue to strive to be more energy efficient, and make significant investments in their homes and their neighborhoods.

The Exemption for Capital Improvements would provide an eight-year declining partial exemption, to offset any increased value to the property attributable to new construction, limited to \$80,000 in increased market value. The eight-year exemption would progress under the following chart:

<u>Year of Exemption</u>	<u>Percent of Exemption Base Exempt from Tax</u>
1	100%
2	87.5%
3	75%
4	62.5%
5	50%
6	37.5%
7	25%
8	12.5%

Properties eligible for this exemption would be required to be a one or two-family residence; include a total cost of reconstruction, alteration or improvement exceeding \$3,000, and the greater

portion of the home (measured by square footage) after the improvements must be at least five-years old.

This incentive will provide tax relief to local property tax payers at a time when making such home improvements may not seem affordable, helping to promote out local economy.

Therefore, we propose that this Honorable Body enact a local law to amend Chapter 357 of the Monroe County Code in order to enact a "Real Property Tax Exemption for Capital Improvements to Residential Properties."

The specific legislative actions required are:

1. Schedule and hold a public hearing on this proposed local law.
2. Enact a local law amending the Monroe County Administrative Code, as attached.

This local law will have no impact on the expenditures of the Monroe County budget and provides potential for increased revenues to the Monroe County budget upon the expiration of the proposed exemptions.

Respectfully submitted,

Richard A. Beebe

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Legislator – District 6

Carrie M. Andrews

Carrie M. Andrews
Assistant Minority Leader

Calvin Lee, Jr.

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Assistant Minority Leader

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C. Stephen Eckel

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Willie Joe Lightfoot

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Legislator – District 27

Cynthia W. Kaleh

Cynthia W. Kaleh
Legislator – District 28

Saul A. Maneiro

Saul A. Maneiro
Legislator – District 29

By Legislators _____ and _____

Intro. No. _____

LOCAL LAW NO. _____ OF 2011

A LOCAL LAW ENTITLED "ENACTING A REAL PROPERTY TAX EXEMPTION OF CAPITAL IMPROVEMENTS TO RESIDENTIAL BUILDINGS."

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

Section 1. Part IV, General Local Laws of the Administrative Code and Charter of Monroe County, is hereby amended to include the following Local Law:

Chapter 357 Article XIV, ENACTING A REAL PROPERTY TAX EXEMPTION OF CAPITAL IMPROVEMENTS TO RESIDENTIAL BUILDINGS

§357-52. Title.

This chapter shall be known as the Real Property Tax Exemption of Capital Improvements to Residential Buildings."

§357-53. Authorization for Exemption.

A. It is the intent of the within Local Law to adopt a Local law to grant the exemption authorized by Real Property Tax Law Section 421-f.

§357-54. Eligibility.

A. Residential buildings, which for the purposes of this Local Law shall mean any building or structure designed and occupied exclusively for residential purposes by not more than two families, that are reconstructed, altered or improved shall be exempt from taxation levied by the County of Monroe on the increase in assessed value attributable to such reconstruction, alteration, or improvements to the extent provided hereinafter, pursuant to Section 421-f of the Real Property Tax Law.

§357-55. Duration and Computation of Exemption.

The length of the exemption shall be eight years. The exemption shall be computed pursuant to the following schedules:

<u>Year of Exemption</u>	<u>Percent of Exemption Base Exempt from Tax</u>
1	<u>100%</u>
2	<u>87.5%</u>
3	<u>75%</u>
4	<u>62.5%</u>
5	<u>50%</u>
6	<u>37.5%</u>
7	<u>25%</u>
8	<u>12.5%</u>

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§357-56. Exemption Base And Market Value.

- A. The “exemption base” shall be the increase in assessed value as determined in the initial year of the term of the exemption, except as provided in subdivision B of this Section.
- B. In any year in which a change in level of assessment of 15% or more is certified for a final assessment roll pursuant to the rules of the state board (ORPS), 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, 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 that the Assessor does not have custody of the roll when such certification is received, the Assessor shall certify the recomputed exemption in a manner authorized by the New York State Real Property Tax Law.
- C. The exemption shall be limited to a maximum of \$80,000.00 in increased market value of the property attributable to such reconstruction, alteration, or improvement, and any increase in market value shall not be eligible for an exemption pursuant to this Local Law. The market value of such reconstruction, alteration, or improvement shall be equal to the increased assessed value attributable to such reconstruction, alteration, or improvement divided by the most recently established state equalization rate or special equalization rate, unless such rate is 95% or more, in which case the increase in assessed value attributable to such reconstruction, alteration, or improvement is to be considered equal to market value.

§357-57. Requirements.

No exemption pursuant to this Local Law shall be granted for reconstruction, alteration, or improvement unless:

- A. Such reconstruction, alteration, or improvement was commenced subsequent to the effective date of this Local Law.
- B. The value of such reconstruction, alteration, or improvement exceeds \$3,000.00.
- C. The greater portion, as so determined by square footage, of the building reconstructed, altered, or improved is at least five years old.
- D. The reconstruction, alteration, or improvement is not ordinary maintenance or repairs.

§357-58. Application.

Such exemption shall be granted only upon application by the owner of such building on a form prescribed by the state board (ORPS). The application shall be filed with the Assessor of the town having the power to assess property for taxation on or before the appropriate taxable status date of such town. Improvements to residential buildings must be completed to qualify for the exemption pursuant to this Local Law.

§357-59. Exemption Discontinuance.

- A. In the event that a building granted an exemption pursuant to this Local Law 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 Local Law shall cease.

- B. 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 § 421-f of the New York State 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 the burden shall be on such owner or owners to establish eligibility for the exemption.

Section 2. This local law shall take effect for assessment rolls prepared on the basis of taxable status date occurring on or after December 31, 2011 and upon filing in the office of the Secretary of State as provided for in Section 27 of the Municipal Home Rule Law.

File No. 11-0_____LL

ADOPTION: Date: _____ Vote: _____

ACTION BY THE COUNTY EXECUTIVE

APPROVED: _____ VETOED: _____

SIGNATURE: _____ DATE: _____

EFFECTIVE DATE OF LOCAL LAW: _____