

Local Law No. 1 of the Year 2018
Amending local Law #3 of 2012

ARTICLE I: Exemption for Improvements to One- and Two-Family Dwellings

Section 1. Intent

The intent of this article is to encourage property owners to make improvements to one- and two-family residential housing, to improve the quality of housing in the community, and to preserve and expand the tax base of the Town of Morristown.

Section 2. Eligibility; amount of exemption.:

In accordance with § 421-f of the New York State Real Property Tax Law, and subject to meeting the requirements of this article, reconstructions, alterations, or improvements to one- and two-family residential buildings occurring subsequent to the effective date of this article resulting in a change in the assessed valuation of at least \$3,000.00 shall be, upon application, eligible for an exemption of Town of Morristown property taxes per the terms of this article, such abatement not to exceed \$50,000.00

Section 3. Definitions:

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

RECONSTRUCTION, ALTERATION, AND IMPROVEMENT – Shall not include ordinary maintenance and repairs. Swimming pools, garages, or any other accessory structure shall not be considered to constitute an alteration or improvement for the purpose of this article. Furthermore, reconstruction, alteration, and improvement shall not include any increase in the size and/or square footage of the residential structure.

RESIDENTIAL BUILDING – Any building or structure designed and occupied exclusively for residential purposes by not more than two families.

Section 4. Exemption granted.

The improvements to one and two-family residential buildings reconstructed, altered, or improved for residential purposes subsequent to the effective date of this article shall be exempt from taxation to the extent provided hereinafter.

Section 5. Amount of exemption.

- A. One- and two-family residential buildings reconstructed, altered, or improved for residential purposes subsequent to the effective date of this article shall be exempt for a period of one year to the extent of 100% of the increase in assessed value thereof attributable to such reconstruction, alteration, or improvement, and for additional period of seven (7) years, subject to the following:
 - (1) The extent of such exemption shall be decreased by 12.5% of the initial exemption each year during said additional seven (7)-year period; and
 - (2) Such exemption shall be limited to \$50,000.00 in increased market value of the property attributable to such reconstruction, alteration, or improvement, and any increase in market value greater than such amount shall not be eligible for the exemption pursuant to this article.
- B. For purposes of this section, the market value of the reconstruction, alteration, or improvement shall be equal to the increased assessed value attributable to such reconstruction, alteration, or improvement divided by the then most recently established state equalization rate. However, where the then most recently established state equalization rate equals or exceeds 95%, the increase in assessed value attributable to such reconstruction, alteration, or improvement shall be deemed to equal the market value of such reconstruction, alteration, or improvement.

Section 6. Requirements for obtaining exemption.

- A. No exemption shall be granted for reconstruction, alterations, or improvements unless:
 - (1) Such reconstruction, alteration, or improvement must be commenced subsequent to the effective date of this article; and
 - (2) The value of such reconstruction, alteration, or improvement must exceed \$3,000. The maximum exemption permitted under this article is \$50,000.; and
 - (3) The greater portion, as so determined by square footage, of the building reconstructed, altered, or improved must be at least five years old; and
 - (4) Building permits must be obtained in accordance with local law; and
- B. The exemption shall be granted only upon application by the owner of such residential building on a form prescribed by the state board. The application shall be filed with the Assessor having the power to assess property in the Town of Morristown for taxation, with such filing to be received in the office of said Assessor on or before the taxable status date for the Town of Morristown. A certificate of compliance or a certificate of occupancy issued in connection with the reconstruction, alteration, or improvement must be submitted with the application.

- C. If the Assessor is satisfied that an applicant is entitled to an exemption under the provisions of this article, the Assessor shall approve the application, and such residential building shall thereafter be exempt from taxation and special ad valorem levies as herein provided commencing with the next assessment roll. 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.

Section 7. Cessation of exemption.

An exemption granted pursuant to this article shall cease in the event that a building granted an exemption pursuant to this article ceases to be used primarily for residential purposes, or, in the event that title thereto is transferred to other than the heirs or distributees of the owner. Properties currently receiving an exemption or abatement under other sections of the Real Property Tax Law (such as § 485-e) shall continue under the previous exemption or abatement.

Section 8. Severability; filing; when effective.

- A. If any section or subsection, paragraph, clause, phrase, or provision of this article shall be adjudged invalid or held unconstitutional, the remaining portion(s) of this article shall remain and operate as if that section, subsection, paragraph, clause, phrase, or provision did not exist.
- B. The Town Clerk is hereby instructed to file a certified copy of this article with the State Board of Equalization, and with the Assessor who prepares the assessment roll on which the taxes of the Town of Morristown are levied.