

Local Law 2 of 2026

Providing for a Real Estate Tax Exemption for Homeowners Making Capital Improvements to Residential Buildings

Town of Allegany

Section 1. Purpose.

The purpose of this Local Law is to provide a real estate tax exemption for residential homeowners making capital improvements to their residential buildings pursuant to the local option set forth in Real Property Tax Law §421-f, and to encourage the reconstruction, improvement and alteration of the existing housing in the Town of Allegany.

Section 2. Statutory Authority.

The adoption of this Local Law is made pursuant to §10 of the Municipal Home Rule Law, and Real Property Tax Law §421-f.

Section 3. Real Estate Tax Exemption for Homeowners making Capital Improvements to Residential Buildings.

1. Definitions:

- (a) Residential buildings shall mean any building or structure designed and occupied exclusively for residential purposes by not more than two families.
- (b) Exemption base shall mean the increase in assessed value as determined in the initial year of the term of the exemption.
- (c) For the purpose of this Local Law, reconstruction, alteration and improvement shall not mean ordinary maintenance and repairs. Also, stand alone structures such as detached garages or in-ground swimming pools do not qualify for this exemption. Reconstruction, alterations and improvements shall include additions, remodeling or modernization to an existing residential structure to prevent physical deterioration or to comply with applicable building, sanitary, health and/or fire codes.
- (d) Market Value of reconstruction, alterations and improvements is calculated by dividing the increase in assessed value attributable to the construction by the latest state equalization rate or special equalization rate, unless such rate is 95% or more, in which case the assessed value is to be considered equal to the market value.

2. Real Property Tax Exemption:

The following structures shall be eligible for exemption from those Town of Allegany taxes resulting from increased assessments due to capital improvements to property:

- (a) Residential. Buildings reconstructed, altered or improved subsequent to the effective date of this Local Law shall be exempt for a period of one (1) year to the extent of one hundred per centum (100%) of the increase in assessed value thereof attributable to such reconstruction, alterations and improvements.
- (b) Following the initial exemption year and for a period of seven (7) years following, the extent of such exemption shall be decreased by twelve and one-half per centum (12.5%) of the exemption base each year during such additional period.
- (c) 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 New York State Office of Real Property Services, 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 the level of assessment after the completion, verification and filing of the final assessment roll.
- (d) Such exemptions shall be limited to a maximum of Thirty Thousand Dollars (\$30,000.00) attributable to such reconstruction, alteration and improvements. Any increase in market value greater than such amount shall not be eligible for exemption pursuant to this section.

3. Exclusions From Tax Exemption:

No such exemption shall be granted for reconstruction, alterations and improvements unless:

- (a) Such reconstruction, alterations and improvements was commenced subsequent to the effective date of this Local Law; and
- (b) The market value of such reconstruction, alterations and improvements exceeds Three Thousand Dollars (\$3,000.00); and
- (c) The greater portion, as determined by square footage, of the building reconstruction, alterations and improvements is at least five (5) years old.

Failure to meet all of the above conditions shall result in the denial of the application for exemption.

4. Application for Tax Exemption:

- (a) An exemption under the provisions of this article shall be granted only upon the timely filing of an application by the owner of such residential building on a form

- prescribed by the New York State Office of Real Property Services. Such application shall be filed with the Town's Assessor on or before the relevant taxable status date.
- (b) If satisfied that the applicant is entitled to an exemption pursuant to this article, the Assessor shall approve the application and such building shall thereafter be exempt from taxation and special ad valorem levies as provided in this Local Law commencing with the assessment roll prepared on the basis of the taxable status date.
 - (c) 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.

5. Cessation of Tax Exemption:

In the event that a building granted an exemption pursuant to this article ceases to be used for exclusively 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 and be of no further force and effect.

Section 4. Filing of Local Law.

A copy of this Local Law shall be filed with the New York State Office of Real Property Services.

Section 5. Partial Invalidity and Severability.

If any part of provision of this Local Law or the application thereof to any person or circumstance by adjudged invalid by any court of competent jurisdiction, such judgment shall be confined in its operation to part of provision or application directly involved in the controversy in which such judgment shall have been rendered and shall not affect or impair the validity of the remainder of the Local Law or the application thereof to other persons or circumstances, and the Town Board of the Town of Allegany hereby declares that it would have passed this Local Law or the remainder thereof had such invalid application or invalid provision been apparent.

Section 6. Inconsistent Provisions.

All ordinances, Local Laws and parts thereof inconsistent with this Local Law are hereby repealed.

Section 7. Effective Date.

This Local Law shall take effect immediately upon filing in the Office of the Secretary of State in accordance with § 27 of the Municipal Home Rule Law.