

Chapter 123

TAXATION

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¹ [HISTORY: Adopted by the Town Board of the Town of Vernon as indicated in article histories. Amendments noted where applicable.]

ARTICLE I

Exemption for First-Time Homebuyers [Adopted 9-10-2012 by L.L. No. 4-2012²]

§ 123-1. Definitions.

As used in this article, the following words, phrases, terms and their derivations shall have the meanings set forth below:

FIRST-TIME HOMEBUYER — A person who has not owned a primary residential property, and is not married to a person who has owned a primary residential property, during the three-year period prior to his or her purchase of the primary residential property, and does not own a vacation or investment home.

FIRST-TIME HOMEBUYER EXEMPTION — The exemption from taxes on newly constructed primary residential property purchased by a first-time homebuyer, pursuant to the eligibility criteria and the table set forth within this article.

HOUSEHOLD INCOME — The total combined income of all the owners and any of the owners' spouses residing on the premises, for the income tax year preceding the date of making application.

INCOME — The adjusted gross income for federal income tax purposes as reported on the applicant's latest available return, subject to any subsequent amendments or revisions, reduced by distributions, to the extent included in federal adjusted gross income, received from an individual retirement account or an individual retirement annuity; provided that if no such return

1. Editor's Note: Former Ch. 123, Taxation, comprised of Art. I, Alternative Veterans Exemption, adopted 12-3-1984 by L.L. No. 1-1984, was repealed 9-9-1991 by L.L. No. 1-1991.
2. Editor's Note: This local law provided an effective date of 11-1-2012.

was filed within the one-year period preceding taxable status date, income means the adjusted gross income that would have been so reported if such a return had been filed.

LATEST AVAILABLE RETURN — The federal or state income tax return for the tax year immediately preceding the date of making application for the exemption; provided, however, that if the tax return for such a year has not been filed, then the income tax return for the tax year two years preceding the date of making application will be considered the latest available return.

MAXIMUM ELIGIBLE SALES PRICE — The purchase price limits defined by the State of New York Mortgage Agency (SONYMA) low-interest-rate mortgage program in the nontarget, one-family new category for Oneida County in effect on the contract date for the purchase and sale of a newly constructed primary residential property.

NEWLY CONSTRUCTED — An improvement to real property which was constructed as a primary residential property, which has never been occupied and was constructed after November 28, 2001, but on or before December 31, 2016. Newly constructed shall also mean that portion of a primary residential property that is altered, improved or reconstructed.

PRIMARY RESIDENTIAL PROPERTY — Any one-family or two-family house, townhouse or condominium located in the Town of Vernon which is owner-occupied by such homebuyer.

TAXES — Real property taxes and special ad valorem levies levied by or on behalf of the Town of Vernon; taxes shall not include Vernon Town special assessments.

§ 123-2. First-time homebuyer exemption.

- A. Newly constructed primary residential property purchased by a first-time homebuyer shall be entitled to the first-time homebuyer exemption and shall be exempt from taxation in accordance with the eligibility criteria set forth within this article.

- B. The first-time homebuyer exemption for eligible properties shall be calculated in accordance with the following table:

Years of Exemption	Percentage of Assessed Valuation Exempt from Taxation
Year 1	50%
Year 2	40%
Year 3	30%
Year 4	20%
Year 5	10%
Year 6 or more	0%

§ 123-3. Sales price eligibility limits.

- A. Any newly constructed primary residential property within the limits of the maximum eligible sales price shall be eligible for the first-time homebuyer exemption allowed pursuant to this article,
- B. Newly constructed primary residential property purchased by first-time homebuyers at a sales price greater than the maximum eligible sales price shall qualify for the first-time homebuyer exemption for that portion of the sales price equal to the maximum eligible sales price; provided, however, that any newly constructed primary residential property purchased at a sales price greater than 15% above the maximum eligible sales price shall not be allowed any first-time homebuyer exemption.

§ 123-4. Household income eligibility requirements.

A first-time homebuyer shall not qualify for the first-time homebuyer exemption if the household income exceeds income limits defined by SONYMA low-interest-rate mortgage program in the nontarget, one- and two-person household category for

Oneida County in effect on the contract date of the purchase and sale of such property.

§ 123-5. Reconstruction expenses.

A first-time homebuyer who either as part of a written contract for sale of the primary residential property, or who enters into a written contract within 90 days after closing of the sale of the primary residential property for reconstruction, alteration or improvements, the value of which exceeds \$3,000 to the primary residential property, shall be exempt from taxation to the extent provided by this article. Such exemption shall apply solely to the increase in assessed value attributable to such reconstruction, alteration or improvement, provided that the assessed value after reconstruction, alteration or improvement does not exceed 15% more than the maximum eligible sales price.

§ 123-6. Time requirements.

No first-time homebuyer exemption shall be allowed pursuant to this article for any newly constructed primary residential property purchased by a first-time homebuyer on or after December 31, 2016, unless such purchase is made pursuant to a binding written contract entered into prior to such date. First-time homebuyers who first receive this exemption prior to December 31, 2016, will continue to receive the exemption according to the established schedule.

§ 123-7. Applications for first-time homebuyer exemption.

The first-time homebuyer exemption shall be granted only upon application by the owner on a form prescribed by the State Commissioner of Taxation and Finance to the assessor of the city, town or village having the power to assess the property for taxation, submitted on or before the appropriate taxable status date and approval of such application by such assessor.

§ 123-8. Discontinuance of first-time homebuyer exemption.

- A. No portion of an otherwise eligible single-family newly constructed primary residential property shall be leased during the period of time when the first-time homebuyer exemption shall apply to the residence. If any portion of the single-family newly constructed primary residential property is found to be the subject of a lease during the term of the first-time homebuyer exemption, the exemption shall be discontinued.
- B. In the event that a primary residential property ceases to be used primarily for residential purposes or title thereto is transferred to someone other than the heirs or distributees of the owner during the term of the first-time homebuyer exemption, the exemption will be discontinued.

ARTICLE II**Capital Improvements Exemption
[Adopted 5-9-2011 by L.L. No. 1-2013]****§ 123-9. Definitions.**

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

EXEMPTION BASE — The increase in assessed value as determined in the initial year of the term of the exemption.

MARKET VALUE OF RECONSTRUCTION, ALTERATION AND IMPROVEMENT — 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.

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, alteration and improvement 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.

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

§ 123-10. Applicability; amount of exemption.

The following structures shall be eligible for exemption from those county 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 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.
- B. Following the initial exemption year and for a period of seven years following, the extent of such exemption shall be decreased by 12 1/2% of the exemption base each year during such additional period.
- C. 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 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. 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 exemption shall be limited to a maximum of \$30,000 attributable to such reconstruction, alteration or improvement. Any increase in market value greater than such amount shall not be eligible for exemption pursuant to this section.

§ 123-11. Exclusions.

- A. No such exemption shall be granted for reconstruction, alteration or improvements unless:
- (1) Such reconstruction, alteration or improvement was commenced subsequent to the effective date of this article;
 - (2) The market value of such reconstruction, alteration or improvement exceeds \$3,000; and
 - (3) The greater portion, as determined by square footage, of the building reconstructed, altered or improvement is at least five years old.
- B. Failure to meet all of the above conditions shall result in the denial of the application for exemption.

§ 123-12. Application for 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 assessor of the municipality in which the applicant's property is situated 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 article 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.

§ 123-13. Cessation of 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.