

LOCAL LAW NO.: 6 - 2011

OF

JULY 11, 2011

A LOCAL LAW AMENDING LOCAL LAW NO.: 6-2007
OF NOVEMBER 26, 2007, WHICH AMENDED THE
INCOME LEVELS AND THE EXEMPTION TERM OF CHAPTER 270 "TAXATION"
ARTICLE V "EXEMPTION FOR FIRST-TIME HOMEBUYERS
OF NEWLY CONSTRUCTED HOMES"
OF THE CODE OF THE CITY OF NEWBURGH

BE IT ENACTED by the City Council of the City of Newburgh as follows:

SECTION 1 - TITLE

This Local Law shall be referred to as "A Local Law Amending Local Law No.: 6-2007 of November 26, 2007" which amended the Income Levels and the Exemption Term of Chapter 270 'Taxation', Article V 'Exemption for First-Time Homebuyers of Newly Constructed Homes' of the Code of the City of Newburgh".

SECTION 2 - PURPOSE AND INTENT

The purpose of this local law is to amend the Code of the City of Newburgh to afford first-time homebuyers of newly constructed homes a partial exemption from real property taxes levied by the City as permitted under New York State Real Property Tax Law Section 457 as same has been amended by the New York State Legislature and to lengthen the exemption term as allowed by law.

SECTION 3 - AMENDMENT

Chapter 270 entitled "Taxation" of the Code of the City of Newburgh is hereby amended by the following amendment to Article V entitled "Exemption for First-Time Homebuyers of Newly Constructed Homes" which is now to read as follows:

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§ 270-26. Purpose.

The purpose of this article is to provide partial exemption from taxation and special ad valorem levies for owner-occupied, primary residential property that is newly constructed or reconstructed under certain conditions set forth below.

§ 270-27. Definitions.

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

FIRST-TIME HOMEBUYER ~ An individual or individuals who have not owned, and are not married to a person who has owned, a primary residential property during the three-year period prior to their purchase of the primary residential property for which this exemption is sought, and do not own a vacation or investment home.

INCOME ~ The adjusted gross income for federal income tax purposes as reported on the applicant's latest available federal or state income tax 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 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 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.

NEWLY CONSTRUCTED ~ An improvement to real property which was constructed as a one- or two-family house, townhouse or condominium, 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 one- or two-family house, townhouse or condominium that is altered, improved or reconstructed.

PRIMARY RESIDENTIAL PROPERTY ~ Any one- or two-family house, townhouse, or condominium located in this state which is owner-occupied by such homeowner.

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§ 270-28. Ownership eligibility requirements.

The following ownership eligibility requirements must be met in order to qualify for the first-time homebuyer exemption:

A. The property must be owned by a first-time homebuyer or homebuyers and used as their primary residence. If title to the property is transferred to someone other than the heirs or distributees of the homebuyer(s) during the term of the exemption, the exemption will be discontinued.

B. The combined income of all the owners, and of any of the owners' spouses residing on the property, for the income tax year immediately preceding the date of application for exemption may not exceed \$81,830.00.

§ 270-29. Property use requirements.

The following property use requirements must be met in order to qualify for the first-time homebuyer exemption:

A. The property must be a newly constructed or reconstructed one- or two-family house, townhouse or condominium that is owner-occupied.

B. Other than for reconstruction projects, the home must never have been occupied previously.

C. No portion of an otherwise eligible single-family home may be leased for any purpose, or used primarily for nonresidential purposes, during the time the exemption applies. In either case, the exemption shall be discontinued.

§ 270-30. Sales price and exemption limits.

The maximum sales price of an eligible newly constructed residence must not exceed \$399,370.00 to qualify for exemption. Newly constructed residences purchased by first-time homebuyers at a sales price greater than the maximum eligible sales price shall qualify for exemption for that portion of the sales price equal to the maximum eligible sales price; provided, however, that any newly constructed residence purchased at a sales price greater than \$459,275.00 shall not be allowed any exemption.

§ 270-31. Reconstruction exemption.

The exemption for reconstructed, altered or improved residential property is limited solely to the increase in assessed value attributable to such reconstruction, alteration or improvement, provided that the total market value of the property after the project completion does not exceed \$459,275.00. To be eligible for this exemption on existing homes, the first-time homebuyer must have provided for such reconstruction, alteration or improvement as part of the sale contract of

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the home or entered into a written contract for such work within 90 days of the purchase of the property. The value of such reconstruction, alteration or improvement must be greater than \$3,000.00 and cannot include the value of ordinary maintenance and repairs.

§ 270-32. Required construction start date and other time requirements.

Property must be constructed or reconstructed by a first-time homebuyer on or before December 31, 2016, unless such purchase is made pursuant to a binding written contract entered into on or before such date, and after November 28, 2001. First-time homebuyers who first received this exemption prior to December 31, 2016, will continue to receive the exemption according to the established schedule below. First-time homebuyers of existing homes seeking the exemption on the basis of reconstruction, alteration or improvement of the property must either have provided for such work in their purchase contract or enter into a written contract for such work within 90 days after the purchase of the home.

§ 270-33. Calculation of exemption.

A. City of Newburgh taxes and special ad valorem levies. The following is the exemption schedule:

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

B. City of Newburgh special assessments. No exemption allowed.

§ 270-34. Applications for exemption.

Such exemption shall be granted only upon application by the owner on a form prescribed by the State Board of the Office of Real Property Services to the City of Newburgh Assessor, submitted on or before the appropriate taxable status date and approval of such application by the Assessor.

SECTION 4 - VALIDITY

The invalidity of any provision of this Local Law shall not affect the validity of any other provision of this Local Law that can be given effect without such invalid provision.

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SECTION 5 - EFFECTIVE DATE

This Local Law shall take effect immediately when it is filed in the Office of the New York State Secretary of State in accordance with Section 27 of the Municipal Home Rule Law.

SECTION 6 - FILING

In addition to the Office of the New York State Secretary of State, copies of this Local Law shall be filed with the State Board of the Office of Real Property Services and the City of Newburgh Assessor.

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