

**Council Member Frederick, on behalf of the Finance, Taxation and Assessment Committee, introduced the following:**

**LOCAL LAW N OF 2022**

**A LOCAL LAW AMENDING ARTICLE III (SENIOR CITIZENS TAX EXEMPTION) OF CHAPTER 333 (TAXATION) OF THE CODE OF THE CITY OF ALBANY TO INCREASE THE MAXIMUM INCOME ELIGIBILITY LEVELS APPLICABLE TO THE EXEMPTION**

*Be it enacted by the Common Council of the City of Albany as follows:*

**Section 1.** Subsections (A) and (B) of section 333-34 (Eligibility) of Article III (Senior Citizens Tax Exemption) of Chapter 333 (Taxation) of Part II (General Legislation) of the Code of the City of Albany is hereby amended to read as follows:

- A. Pursuant to § 467 of the Real Property Tax Law of the State of New York, real property located in the City of Albany and owned by one or more persons, each of whom is 65 years of age or over, or real property owned by ~~the husband and wife~~ spouses, one of whom is 65 years of age or over, shall be exempt from taxation according to the following eligibility schedule:

<b>Annual Income</b>	<b>Percentage of Assessed Value Exempt from Taxation</b>
<del>\$29,000</del> <u>\$50,000</u> or less	50%
More than <del>\$29,000</del> <u>\$50,000</u> and up to <del>\$30,000</del> <u>\$51,000</u>	45%
More than <del>\$30,000</del> <u>\$51,000</u> and up to <del>\$31,000</del> <u>\$52,000</u>	40%
More than <del>\$31,000</del> <u>\$52,000</u> and up to <del>\$32,000</del> <u>\$53,000</u>	35%
More than <del>\$32,000</del> <u>\$53,000</u> and up to <del>\$32,900</del> <u>\$53,900</u>	30%
More than <del>\$32,900</del> <u>\$53,900</u> and up to <del>\$33,800</del> <u>\$54,800</u>	25%
More than <del>\$33,800</del> <u>\$54,800</u> and up to <del>\$34,700</del> <u>\$55,700</u>	20%
More than <del>\$34,700</del> <u>\$55,700</u> and up to <del>\$35,600</del> <u>\$56,600</u>	15%
More than <del>\$35,600</del> <u>\$56,600</u> and up to <del>\$36,500</del> <u>\$57,500</u>	10%
More than <del>\$36,500</del> <u>\$57,500</u> and up to <del>\$37,400</del> <u>\$58,400</u>	5%
More than <del>\$37,400</del> <u>\$58,400</u>	0%

- B. The real property tax exemption provided here on real property owned by ~~husband and wife~~ spouses, one of whom is 65 years of age or over, once granted, shall not be rescinded solely because of the death of the older spouse so long as the surviving spouse is at least 62 years of age.

**Section 2.** Subsections (A) and (B) of Section 333-35 (Exceptions) of Article III (Senior Citizens Tax Exemption) of Chapter 333 (Taxation) of Part II (General Legislation) of the Code of the City of Albany is hereby amended to read as follows:

- A. If the income of the owner or the combined income of the owners of the property for the income tax year immediately preceding the date of making application for exemption exceeds ~~\$37,400~~ \$58,400. "Income tax year" shall mean the twelve-month period for which the owner or owners filed a federal personal income tax return or, if no such return is filed, the calendar year; where title is vested in either ~~the husband or his wife~~ spouse, their combined income may not exceed such sum. Such income shall include social security and retirement benefits, interest, dividends, total gain from the sale or exchange of a capital asset in the same income tax year, net rental income, salary or earnings and net income for self-employment, but shall not include a return of capital, gifts or inheritance. In computing net rental income and net income for self-employment, no depreciation deduction shall be allowed for the exhaustion, wear and tear of real or personal property held for the production of income.
- B. Unless the title of the property shall have been vested in the owner or one of the owners of the property for at least 24 consecutive months prior to the date of making application for exemption; provided, however, that in the event of the death of either ~~a husband or wife~~ spouse in whose name title of the property shall have been vested at the time of death and then becomes vested solely in the survivor by virtue of devise by or descent from the deceased ~~husband or wife~~ spouse, the time of ownership of the property by the deceased ~~husband or wife~~ spouse shall be deemed also a time of ownership by the survivor, and such ownership shall be deemed continuous for the purposes of computing such period of 24 consecutive months, provided further that in the event of a transfer by either ~~a husband or wife~~ spouse to the other spouse of all or part of the title to the property, the time of ownership of the property by the transferor spouse shall be deemed also a time of ownership by the transferee spouse, and such ownership shall be deemed continuous for the purpose of computing such period of 24 consecutive months, and provided further that where property of the owner or owners has been acquired to replace property formerly owned by such owner or owners and taken by eminent domain or other involuntary proceeding, except a tax sale, the period of ownership of the former property shall be combined with the period of ownership of the property for which application is made for exemption, and such periods of ownership shall be deemed to be consecutive for purposes of this section. Where a residence is sold and replaced with another within one year and both are located in the City of Albany, the period of ownership of the former shall be combined with the period of ownership of the replacement residence and deemed consecutive for exemption purposes.

**Section 3.** This Local Law shall take effect upon final passage, public hearing, and filing with the Secretary of State and shall apply to assessment rolls prepared on the basis of taxable status dates occurring on and after January 1, 2023.

**APPROVED AS TO FORM THIS  
21<sup>ST</sup> DAY OF OCTOBER, 2022**

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**Corporation Counsel**

**To: Danielle Gillespie, City Clerk**

**From: Brett Williams, Esq., Senior Assistant Corporation Counsel**

**Re: Common Council Legislation  
Supporting Memorandum**

**Date: October 21, 2022**

**Sponsor: Council Member Frederick, on behalf of the Finance, Taxation and Assessment Committee**

**Local Law N of 2022**

**TITLE**

A LOCAL LAW AMENDING ARTICLE III (SENIOR CITIZENS TAX EXEMPTION) OF CHAPTER 333 (TAXATION) OF THE CODE OF THE CITY OF ALBANY TO INCREASE THE MAXIMUM INCOME ELIGIBILITY LEVELS APPLICABLE TO THE EXEMPTION

**GENERAL PURPOSE OF LEGSLATION**

The City of Albany’s senior citizen property tax exemption, codified at Code § 333-34 et seq., is authorized by and based upon section 467 of the state Real Property Tax Law. The assessed value of property owned by qualifying seniors is, under these statutes, exempt from taxation at a sliding rate, dependent upon the owner(s)’ annual income. From 2009 until the enactment of the new state law earlier this year, if a qualifying property owner had an income of \$29,000 or less per year, the property was exempt to 50% of its value, while qualifying owners with an income of up to \$37,400 received a 5% exemption.

By SB 3085, signed into law by Governor Hochul on August 8, 2022, and codified as chapter 488 of the laws of 2022, the Legislature amended RPTL § 467 to increase these eligibility amounts for the first time in thirteen years. Under the amended state law, qualifying owners bringing in up to \$50,000 per year may enjoy a 50% exemption while those making up to \$58,400 are entitled to an exemption of 5% of their property’s value.

**NECESSITY FOR LEGISLATION AND ANY CHANGE TO EXISTING LAW**

This local law brings the City of Albany’s exemption income eligibility levels in line with those recently authorized by the State.

The local law will apply only to assessment rolls prepared on the basis of taxable status dates occurring on an after January 1, 2023. Thus, because of the way the assessment calendar is arranged under the real property tax law, the exemption will not be available to those who fall under the new eligibility brackets until the 2023-24 school tax bills and 2024 City/County tax bills.

This local law also replaces the repeated uses of the phrase “husband and wife” present in the current version of the code with the more gender-neutral term “spouse.”

**FISCAL IMPACT**

The expansion of the income eligibility ranges for this exemption will mean that more seniors will be able to take advantage of it, which could have an exceedingly minimal impact on the homestead tax rate.

