

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

**LOCAL LAW O OF 2022**

**A LOCAL LAW AMENDING ARTICLE XIII (EXEMPTION FOR DISABLED PERSONS WITH LIMITED INCOME) 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.** Section 333-108 (Persons with Disabilities and Limited Incomes) of Article XIII (Exemption for Disabled Persons With Limited Incomes) of Chapter 333 (Taxation) of Part II (General Legislation) of the Code of the City of Albany is hereby amended to read as follows:

**§ 333-108 Persons with disabilities and limited incomes.**

Effective as hereinafter provided, there shall be an exemption from taxation for general City purposes to the extent of the percentage of assessed valuation provided in the following schedule determined by the maximum income exemption eligibility level, also provided in the following schedule, up to a maximum of 50% of the assessed valuation of real property owned by a ~~husband or wife~~ person with a disability, or by one spouse, or both spouses, or by siblings, at least one of whom has a disability, or whose income, as hereinafter defined, is limited by reason of such disability:

<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%

**Section 2.** Subsection (A) of section 333-114 (Restrictions) of Article XIII (Exemption for Disabled Persons With Limited Income) of Chapter 333 (Taxation) of Part II (General Legislation) of the Code of the City of Albany is hereby amended to read as follows:

No exemption shall be granted:

Matter in ~~strike through~~ to be deleted. Matter underlined is new material.

- 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 the sums authorized by the provisions of § 459-c of the Real Property Tax Law. “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 wife~~ spouse, their combined income may not exceed such sum, except where ~~the husband or wife~~ one spouse, or ~~ex-husband or ex-wife~~ ex-spouse, is absent from the property due to divorce, legal separation or abandonment, then only the income of the spouse or ex-spouse residing in the property shall be considered and may not exceed such sum. Where title is vested in siblings, 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 which may be offset by a loss from the sale or exchange of a capital asset in the same income tax year, net rental income, salary or earnings and net income from self-employment; but shall not include a return of capital, gifts, inheritance or moneys earned through employment in the foster grandparent program and any such income shall be offset by all medical and prescription drug expenses actually paid which were not reimbursed or paid by insurance. In computing net rental income and net income from self-employment, net depreciation deduction shall be allowed for the exhaustion or wear and tear of real or personal property held for the production of income.

**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  
27<sup>TH</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 27, 2022**

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

## **Local Law O of 2022**

### **TITLE**

A LOCAL LAW AMENDING ARTICLE XIII (EXEMPTION FOR DISABLED PERSONS WITH LIMITED INCOME) 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 property tax exemption for persons with disabilities and with limited incomes, codified at Code § 333-108 et seq., is authorized by and based upon section 459-c of the state Real Property Tax Law. The assessed value of property owned by qualifying individuals is, under this statute, exempt from taxation at a sliding rate, dependent upon the owner(s)' annual income. From 2009 until the enactment of the a 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 § 459-c 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 reflected for those who fall under the new eligibility brackets until the 2023-24 school tax bills and 2024 City/County tax bills.

Code § 333-108 as currently written prior to this local law seems, if strictly construed, to have mistakenly technically prevented *individuals* with disabilities and low incomes from enjoying the

exemption, because the section only applied to “real property owned by a husband or wife, or both, or by siblings, at least one of whom has a disability...” This local law corrects that error (which is not present in the authorizing state statute) by changing the language to “real property owned by a person with a disability, or one spouse, or both spouses, or by siblings, at least one of whom has a disability.” This change, as well as those made to § 333-114, 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 qualifying property owners will be able to take advantage of it, which could have an exceedingly minimal impact on the homestead tax rate.

Matter in ~~strike through~~ to be deleted. Matter underlined is new material.